

Gujarat Tax On Entry Of Specified Goods Into Local Areas (Amendment) Act, 2008

12 of 2008

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Gujarat Tax On Entry Of Specified Goods Into Local Areas (Amendment) Act, 2008

12 of 2008

A BILL further to amend the Gujarat Tax on Entry of Specified Goods into Local Areas Act, 2001, It is hereby enacted in the Fifty-ninth Year of the Republic of India as follows:-

1. Short Title And Commencement :-

(1) This Act may be called the Gujarat Tax on Entry of Specified Goods into Local Areas (Amendment) Act, 2008. (2) It shall come into force on the 1st April, 2008.

2. Amendment Of Section 2 Of Guj. 22 Of 2001 :-

In the Gujarat Tax on Entry of Specified Goods into Local Areas Act, 2001 (Guj. 22 of 2001) (hereinafter referred to as "the principal Act"), in section 2, in clause (k), after the words "the Schedule", the words, brackets, figures and letter "and such other goods as the State Government may, by notification in the Official Gazette, specify under sub-section (1A) of section 3" shall be added.

3. Amendment Of Section 3 Of Guj. 22 Of 2001 :-

In the principal Act, in section 3, after sub-section (1), the following sub-section shall be inserted, namely:- "(1A) Subject to such conditions as it may impose, the State Government may, if it is necessary so to do in the public interest to redress an inequitable situation or for sufficient and reasonable cause for removing

discrimination between goods entering into the local areas from any place outside the State but not being a place outside the territory of the Union of India, for consumption, use or sale therein and goods manufactured or produced in the State, specify by notification in the Official Gazette, such other goods as the specified goods."

4. Substitution Of Schedule To Guj. 22 Of 2001 :-

In the principal Act, for the existing Schedule, the following Schedule shall be substituted, namely:-

SCHEDULE 1

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See sections 2(k) and 3)		
Sr. No.	Specified Goods.	Maximum rate of Tax.
1	2	3
1.	Motor vehicles including chassis of motor vehicles and the body which is built on chassis of motor vehicles.	Twenty per cent.
2.	Cement.	Twenty per cent.
3.	Marbles or Granite (raw or polished).	Twenty per cent.
4.	Kota Stones.	Twenty per cent.
5.	Naphtha	Twenty per cent.
6.	Light Diesel Oil.	Twenty per cent.
7.	High Speed Diesel Oil.	Twenty-Five per cent.
8.	Yarn of all types except Nylon yarn, Polyster Viscose Yarn and Cotton Yarn.	Twenty per cent.
9.	Such other goods as may be specified by the State Government by notification in the Official Gazette.	Twenty per cent."

STATEMENT OF OBJECTIVE AND REASONS

The Gujarat Tax on Entry of specified Goods into Local Areas Act, 2001 provides for levy of tax on certain goods entering into local areas of the State from any place out side the State. The purpose of the Act is primary not to levy additional tax but to provide level playing field between the goods entering into the local areas from any place outside the State but not being a place outside the territory of the Union of India, for consumption, use or sale therein and goods manufactured or produced in the State. To ensure this, tax credit of entry tax paid is made available under section 11 of the Gujarat Value Added Tax Act, 2003.

The entry tax rates are having direct linkage with the Value Added Tax rates on the same goods, hence change in the Value Added Tax rates necessitates change in the Act. To obviate the need to amend the Act consequent to change in Value Added Tax rates, it is considered necessary to revise the maximum rates of the on specified goods as mentioned in the Schedule.

Further, changes in trade patterns requires addition of new goods in the list of specified goods to address an inequitable situation or for removing discrimination between goods entering into the local areas from any place outside the State but not being a place outside the territory of the Union of India, for consumption, use

or sale therein and goods manufactured or produced in the State. It is, therefore, felt necessary to empower the State Government to add new goods as specified goods in the Schedule.

This Bill seeks to amend the said Act to achieve the aforesaid objects.

VAJUBHAI VALA

MEMORANDUM REGARDING DELEGATED LEGISLATION

This Bill involves delegation of legislative powers in the following respects:-

Clause 2, 3 and 4;- Amended clause (k) of section 2 of the Act, sub-section (1A) proposed to be inserted in section 3 of the said Act and new entry NO.9 inserted in the Schedule by these clauses empowers the State overnment to specify by notification in the Official Gazette, such other goods as specified goods, subject to such conditions and when the State Government considers it so to do in the public interest to redress an inequitable situation; or for sufficient and reasonable cause for removing discrimination between goods entering into the local areas from any place outside the State but not being a place outside the territory of the Union of India, for consumption, use or sale therein and goods manufactured or produced in the State.

The delegation of legislative powers as aforesaid is necessary and is of a normal character.

VAJUBHAI VALA

ANNEXURE

EXTRACT FROM THE GUJARAT TAX ON ENTRY OF SPECIFIED GOODS INTO LOCAL AREAS ACT, 2001.

(Guj. 22 of 2001)

2. Definitions - In this Act, unless the context otherwise requires,-

(a) to (j) xxx xxx xxx

(k) "Specified goods" means goods specified in columns 2 of the Schedule;

(1) and (m) xxx xxx xxx

Sr.No.	Specified Goods.	Maximum rate of Tax.
1	2	3
1.	Motor vehicles including chassis of motor vehicles and the body which is built on chassis of motor vehicles.	Twenty per cent.
2.	Cement.	Twenty per cent.
3.	Marbles or Granite (raw or polished).	Twenty per cent.
4.	Kota stones.	Twenty per cent.
5.	Naphtha.	Twenty per cent.
6.	Light Diesel Oil.	Twenty per cent.
7.	High Speed Diesel Oil.	Twenty-five per cent.
8.	Yarn of all types except Nylon Yarn, Polyester Viscose Yarn and Cotton Yarn.	Twenty per cent.