

## **Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976**

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### **SCHEDULE 1 :- SCHEDULE I**

## **Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976**

An Act to levy a tax on the entry of goods into a local area in Madhya Pradesh for consumption, use or sale therein. BE it enacted by the Madhya Pradesh Legislature in the Twenty-seventh Year of

the Republic of India as follows:

## **1. Short Title And Commencement :-**

(1) This Act may be called the Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976.

(2) It shall be deemed to have come into force on the 1st day of September, 1976.

## **2. Definitions :-**

(1) In this Act unless the context otherwise requires, -

[1] (a).....

[2] (aa) entry of goods into a local area with all its grammatical variations and cognate expressions means entry of goods into that local area from any place outside thereof including a place outside the State for consumption, use or sale therein;

(b) entry tax means a tax on entry of goods into a local area for consumption, use or sale therein levied and payable in accordance with the provisions of this Act [3] and includes composition money payable under Section 7-A;

[4] (bb) incidental goods omitted w.e.f. 1.4.95

(c) law relating to local authority means [5] the Cantonment Act, 1924 (No.2 of 1924), the Bhopal State Town Area Committee Act, 1954 (No.25 of 1954), the Madhya Pradesh Municipal Corporation Act, 1956 (No.23 of 1956), the Madhya Pradesh Municipalities Act, 1961 (No.37 of 1961), the Madhya Pradesh Panchayats Act, 1962 (No.7 of 1962) or the Madhya Pradesh Nagar Tatha Gram Nivesh Adhiniyam, 1973 (No.23 of 1973) as the case may be;

(d) local area means the area comprised within the limits of a local authority;

(e) local authority means an authority constituted under a law relating to local authority but shall not include a Janapada Panchayat, a Zila Panchayat, a Mandal Panchayat or such other local authority as the State Government may, by notification, specify;

(f) local goods in relation to a local area means goods of local origin as distinct from goods which enter into that local area;

[6] (ff) packing material omitted w.e.f. 1.4.95

[7] (g) Vanijyik Kar Adhiniyam means the Madhya Pradesh "Vanijyik Kar Adhiniyam, 1994 (No.5 of 1995)

[8] (gg) registered dealer means dealer registered under the Vanijyik Kar Adhiniyam

[9] (h) taxable market value in relation to goods specified in Schedule - II or Schedule - III means the marketvalue thereof excluding the market value of those goods to which clauses (i) to (iv) of the first proviso to sub-section (1) of Section 3 apply;

[10] (i) taxable purchase value in relation to goods specified in Schedule - II or Schedule - III means the purchase valuethereof excluding the purchase value of those goods to which clauses (i) to (iv) of the first proviso to sub-section (1) of Section 3 apply;

(j) taxable quantum in relation to a dealer means the aggregate of the taxable purchase value and the taxable market value;

[11] (k).....

[12] (l) Value of goods in relation to a dealer or any person who has effected entry of goods into a local area shall mean the purchase price of such goods as defined in [13] clause (q) of Section 2 of the Vanijyik Kar Adhiniyam [14] and shall include excise duty and/or additional excise duty and/or customs duty, if levied under the Central Excise and Salt Act, 1944 (No.1 of 1944), the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (No.58 of 1957) or the Customs Act, 1962 (No.52 of 1962), as the case may be or the market value of such goods if they have been acquired or obtained otherwise than by way of purchase;

[15] (m) works contracts omitted w.e.f. 1.5.97

(2) All those expressions, other than expression "goods" and "sale" which are used but are not defined in this Act and are defined in the [16] Vanijyik Kar Adhiniyam shall have the meanings assigned to them in that Act.

(3) Any reference in this Act to the expression "has effected entry of goods" with its grammatical variations and cognate expressions, whether used in isolation or in conjunction with any other words shall, wherever necessary, be construed as including a reference to "has caused to be effected entry of goods".

#### FOOTNOTES:

1. Clause (a) relating to additional tax omitted by Entry Tax (Amendment) Act, 1982.

2 . Clause (a) renumbered as clause (aa) by Entry Tax (Amendment) Act, 1978, with effect from. 1.10.78.

3. Inserted by Entry Tax (Amendment) Act, 1976, with effect from. 31.12.76.

4. Clause (bb) relating to Incidental Goods omitted by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95. Prior to omission it read as under:

(bb) "Incidental goods" means goods other than raw material and

packing material for use by a dealer in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power.

5. Substituted for the Cantonment Board Act by Entry Tax (Amendment) Act, 1976 with effect from. 1.9.76.

6. Clause (ff) relating to packing material deleted by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95. Prior to omission it read as under: "(ff) packing material means goods specified at serial number 15 of Part IV of Schedule II to the Sales Tax Act or notified thereunder which are consumed or used in the packing of other goods or as containers of other goods."

7. Clause (g) substituted by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95.

8. Clause (gg) inserted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

9. Clause (h) substituted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Prior to substitution it read as under:

(h) taxable market value in relation to goods specified in the Schedule means the market value thereof excluding the market value of those goods to which clauses #(i) to (iii) of the first proviso to sub-section (1) of Section 3 apply;

Earlier clause (h) was substituted by Entry Tax (Amendment) Act, 1977, with effect from. 1.5.77.

Subs. for the words Schedule II or Schedule III by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Substituted for (iv) to (vii) by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.

10. Clause (i) substituted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Prior to substitution it read as under:

(i) taxable purchase value in relation to goods specified in the Schedule means the purchase value thereof excluding the purchase value of those goods to which clauses #(i) to (iii) of the first proviso to sub-section (1) of Section 3 apply.

Earlier clause (h) was substituted by Entry Tax (Amendment) Act, 1977, with effect from. 1.5.77.

Subs. for the words Schedule II or Schedule III by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.

# Substituted for (iv) to (vii) by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.

11. Definition of turnover tax omitted by Entry Tax (Amendment)

Act, 1977 with effect from. 1.5.77.

12. Clause (l) substituted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

13. Substituted by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95.

14. Substituted by Entry Tax (Amendment) Act, 1982.

15. Definition of works contract deleted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Prior to deletion clause (m) read as under:

"works contracts means contracts relating to construction of works like buildings, dams and bridges and other immovable property, erection of factories, installation of machinery and fittings and installations to movable or immovable property in the execution whereof goods are consumed or used but not sold."

16. Substituted for Sales Tax Act by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95.

### **3. Incidence Of Taxation :-**

(1) There shall be levied an entry tax,-

(a) on the entry in the course of business of a dealer of goods specified in Schedule - II, into each local area for consumption, use or sale therein; and

(b) on the entry in the course of business of a dealer of goods specified in Schedule - III into each local area for consumption or use of such goods but not for sale therein;

and such tax shall be paid by every dealer liable to tax under the Vanijyik Kar Adhiniyam who has effected entry of such goods:

Provided that no tax under this sub-section shall be levied,-

(i) in respect of goods specified in Schedule - II other than the local goods, purchased from a registered dealer on which entry tax is payable or paid by the selling registered dealer;

(ii) in respect of goods specified in Schedule - II which after entry into a local area are sold outside the State or in the course of inter-State trade or commerce or in the course of export out of the territory of India;

(iii) in respect of goods specified in Schedule - III imported from outside the State for consumption or use but which have been disposed of in any other manner;

(iv) in respect of goods exempted from entry tax under Section 10; and if tax on the entry of any goods specified in Schedule - II or Schedule - III effected during any period has been deposited by a

dealer into the Government treasury and subsequent to such entry the goods are disposed of in the manner described in clause (ii) of this proviso, such dealer shall be entitled to a set off of the tax already paid by him in respect of such goods and such set off shall be adjusted towards the tax payable by him in such manner as may be prescribed:

Provided further that notwithstanding anything contained in this Act, where a dealer in the course of his business, purchases goods from a person or a dealer other than a registered dealer who has effected entry of such goods into a local area prior to such purchase, the entry tax shall be paid by the dealer who has purchased such goods.

Provided also that notwithstanding anything contained in this Act, where a dealer liable to pay tax under the Vanijyik Kar Adhiniyam in the course of his business into a local area, purchases goods specified in Schedule - III, other than goods which are local goods in relation to such local area, from another dealer of the same local area for consumption or use, the entry of such goods shall be deemed to have been effected into such local area by the dealer who has purchased such goods for the aforesaid purpose and entry tax shall be paid by such dealer.

Provided also that in respect of packing material "sale" shall mean the sale of packing material as such and shall not include its sale along with the goods packed or contained therein.

(2) (a) There shall be levied an entry tax on the entry into any local area for consumption, use or sale therein,-

(i) [2] of such goods specified in Schedule II or Schedule III, other than motor vehicles, on which entry tax is not leviable under the provisions of sub-section (1); and

(ii) by such persons or class of persons, [3]..... as may in either case, be notified by the State Government and thereupon such tax shall be paid by such person or class of persons:

Provided that entry tax under this sub-section shall not be levied on the entry of such goods, if it is proved to the satisfaction of the assessing authority that such goods have already been subjected to entry tax or that the entry tax is liable to be paid by any other person or dealer under this Act.

(b) Copy of every such notification shall be laid on the table of the Legislative Assembly.

(3) The entry tax levied under sub-section (1) and sub-section (2) shall be paid on the value such goods.

(4) No entry tax shall be payable on the goods specified in Schedule - I.

(5) The State Government may, by notification, amend Schedule - I, so as to include therein any goods not already specified therein and may, by a like notification, amend Schedule - II or Schedule - III to exclude therefrom the goods so included in Schedule - I and thereupon Schedule - II or Schedule - III, as the case may be, shall stand amended accordingly."

**FOOTNOTES:**

1. Section 3 substituted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

2. Substituted for the words of such goods specified in Schedule II or Schedule III, and by Entry Tax (Amendment) Act, 1999 with effect from. 1.5.99.

3. The words to whom the provisions of sub-section (1) do not apply omitted by Entry Tax (Amendment) Act, 1999 with effect from. 1.5.99.

**3A. Entry Tax On Motor Vehicles :-**

(1) There shall be levied an entry tax on the entry into any local area for consumption, use or sale therein,-

(i) of such motor vehicle which is liable for registration in the State of Madhya Pradesh under the Motor Vehicles Act, 1988; and

(ii) by such person who is not liable to pay tax under the provisions of sub-section (1) of Section 3;

at such rate not exceeding 20 per cent, as the State Government may, by notification, specify:

Provided that no tax under this Section shall be levied if the motor vehicle has been purchased from a dealer registered under the Vanijyik Kar Adhiniyam:

Provided further that no tax under this Section shall be levied in respect of a motor vehicle which was registered in any other State or Union Territory under the Motor Vehicles Act, 1988 for a period of 15 months or more before the date on which it is registered in the State under that Act.

(2) The tax shall be payable within 15 days from the entry of motor vehicle into the local area or before the date on which an application is made for registration of the vehicle under the Motor Vehicles Act, 1988 whichever is earlier, in such manner as may be prescribed.

(3) Every person liable to pay tax under this Section shall furnish a return in such form, for such period, in such manner, by such dates and to such authority as may be prescribed. Every person required to file return shall pay the full amount of tax payable according to the return and shall furnish the proof of payment along with the return.

(4) If a person required to file return fails without sufficient cause to pay the amount of tax payable according to a return for any period in the manner prescribed or fails to furnish return, such person shall be liable to pay by way of interest in addition to the amount of tax, a sum equal to 2 per cent of the amount of such tax for each month or part thereof after the due date.

(5) The amount of tax due from a person liable to pay tax under this Section shall be assessed in such manner and by such authority as may be prescribed.

(6) The assessing authority, the appellate authority and the revising authority

shall, for the purposes of this Section, have the same powers as are exercisable by those authorities under this Act in respect of a dealer and the provisions relating to assessment, appeal and revision of a dealer shall apply in respect of a person to whom this Section applies.

(7) (a) If a person liable to pay tax fails to pay the tax in the manner as laid down, then the designated officer shall forthwith impound the vehicle in respect of which tax has remained unpaid and keep the vehicle impounded till the amount of tax and penalty due is paid in full;

(b) If the amount of tax and penalty is not paid within one month of impounding of the vehicle, the designated officer shall have the power to sell the vehicle in the manner prescribed, by auction and apply the sale proceeds towards recovery of the tax, interest and cost incurred on it. The remainder, if any, shall be refunded to the person;

(c) if at any time before the auction of the vehicle the person pays the tax, interest and cost incurred if any, the designated officer may, after satisfying that all the dues have been fully paid by the person, cancel the auction proceedings and return the vehicle to the person.

(8) The State Government may, by notification designate such number of officers of the State Government to be the designated officers as may be necessary for the purpose and may assign to each one of them such local area or areas or a part of a local area as may be specified in the said notification.

FOOTNOTES:

1. Section 3-A inserted by Entry Tax (Amendment) Act, 1999 with effect from 1.5.99.

#### **4. Rate At Which Entry Tax To Be Charged :-**

[1] (1) The entry tax payable by a dealer under this Act shall be charged on his taxable quantum relating to goods specified in Schedule - II and Schedule - III at the rates mentioned in the said Schedules:

Provided that notwithstanding anything contained in this subsection and subject to such conditions and restrictions as may be prescribed,-

(i) the entry tax payable in respect of goods specified in Schedule - II other than iron and steel as specified in Serial No. 3 of the said Schedule which are consumed or used as raw material for the manufacture of other goods shall be one per cent, if the rate of tax specified in Schedule - II exceeds one per cent;

(ii) where the dealer contravenes any of the conditions or restrictions or has not consumed or used the goods as raw material for the manufacture of other goods in any local area in Madhya Pradesh, he shall be liable to pay as entry tax an amount equal to the difference between the entry tax payable at the full rate as mentioned in Schedule - II and the concessional rate of such tax mentioned in clause (i) above:

Provided further that where the goods specified in Schedule - II, other than iron and steel as specified in Serial No. 3 of the said Schedule which have already suffered entry tax at a rate exceeding

one per centum are purchased by a registered dealer from another such dealer for consumption or use by him as raw material for the manufacture of other goods, he (the purchasing registered dealer) shall, subject to such restrictions and conditions as may be prescribed, be entitled to a set off or refund, as the case may be, of an amount equal to the difference between the amount of tax computed at the full rate of tax mentioned in Schedule - II and the amount of tax at one per cent on such proportion of the price at which he had purchased the goods, as may be prescribed.

(2) The State Government may, by notification, declare that the entry tax on the goods specified in the notification shall, in the circumstances specified therein, be recovered on a basis other than on the value of goods and thereupon the entry tax shall be charged on such goods on that basis as if it were the rate of entry tax specified in respect of the entry of goods into the local area in such circumstances.

#### FOOTNOTES:

1. Sub-section (1) substituted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Prior to substitution during 1.5.97 to 30.9.97 sub-section (1) read as under:

(1) The tax payable by a dealer under this Act shall be charged on his taxable quantum relating to the goods specified in the Schedule at the rates mentioned therein.

Subs. by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Prior to 1.5.97 sub-section (1) read as under:

(1) The entry tax payable by a dealer under this Act shall be charged on his taxable quantum relating to goods specified in Schedule II and Schedule III at the rates mentioned in the said Schedules:

#### **4A. Provision For Entry Tax At Enhanced Rate On Certain Goods Consumed Or Used In Manufacture Of Other Goods:-**

(1) The State Government may, by notification, specify the local area or areas and [2] the goods which are used or consumed in such local area or areas mainly for the manufacture of other goods and may direct that, [3] as from the date specified in the notification and in such manner as may be prescribed, the entry tax payable by a dealer under this Act shall be charged on his taxable quantum relating to such goods at a rate not exceeding ten per centum as may be specified in such notification notwithstanding anything to the contrary contained in Section 4.

[4] (2) On the issue of the notification under sub-section (1), entry tax shall not be chargeable and payable on such goods at any other rate mentioned in any other provisions of this Act.

#### FOOTNOTES:

1. Section 4-A inserted by Entry Tax (Amendment) Act, 1976 with effect from. 31.12.76.

2. Substituted for the words the goods specified in the Schedule by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Earlier these words were substituted for the words the goods by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.
3. Substituted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.
4. Substituted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.

## **5. Omitted :-**

### **FOOTNOTES:**

1. Section 5 omitted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

## **6. Principles Governing Levy Of Entry Tax On [1] Dealer Or Person :-**

The entry tax [2] payable by a dealer under sub-section (1) of Section 3 or by a person notified under sub-section (2) of that Section shall be levied in accordance with the principles stated below:

(a) entry tax shall not be payable unless [3] the dealer or such person effects entry of goods specified in [4] Schedule II or Schedule III into a local area;

(b) where any such goods are consumed, used or sold in a local area by [5] the dealer or such person, it shall be presumed until the contrary is proved by him, that such goods had entered into that local area for consumption, use or sale therein;

(c) when a dealer purchases goods specified in Schedule II or Schedule III in a local area from a person or a dealer who is not a registered dealer, it shall be presumed, unless the contrary is proved by him, that the entry of such goods had been effected by him into such local area before they were purchased by such dealer;

[6] (d).....

(e) all records, documents, account books, information and any other material produced before or used by the assessing authority for the purpose of an assessment of tax on a dealer under the [7] Vanijyik Kar Adhiniyam may, as far as may be and to the extent relevant for the purpose of this Act, form the basis for levy of entry tax on that dealer under this Act:

Provided that the assessing authority may call for or use such additional information for the purpose of assessment under this Act as it may deem necessary.

### **FOOTNOTES:**

1. Substituted for the word dealer by Entry Tax (Amendment) Act, 1982.
2. Substituted for the words payable by a dealer under sub-section (1) of Section 3 by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.  
The words or by a person notified under sub-section (2) of that Section as appearing in the present provisions were omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.
3. Substituted for the words the dealer by Entry Tax (Amendment) Act, 1982.
4. The words Schedule II or Schedule III substituted for the words the Schedule wherever occurred in Section 6, by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.  
Earlier the words the Schedule were substituted for the words Schedule II or Schedule III wherever occurred in the Entry Tax Act, by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.
5. Substituted for the words a dealer by Entry Tax (Amendment) Act, 1982.
6. Clause (d) omitted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.
7. Substituted for Sales Tax Act by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95.

## **7. Registered Dealers To Issue Bill Etc., Stating That Goods Sold Are Local Goods :-**

(1) Every registered dealer who, in the course of his business, manufactures, produces or grows any goods specified in [2] Schedule - II in a local area in such manner that the goods become local goods in relation to that local area, shall, on the sale of such local goods to any other registered dealer, issue to him a bill, invoice or cash memo specifically stating in such manner as may be prescribed, that the goods being sold are local goods in relation to such local area and that no entry tax has been paid on such goods.

(2) Where the goods mentioned in sub-section (1) are purchased and sold in the course of their business by a chain of registered dealers, the selling registered dealer shall issue a bill or invoice or cash memo, containing the statement referred to in sub-section (1):

Provided that where the goods are purchased by a registered dealer who effects the entry of such goods into a local area other than the local area in relation to which such goods are local goods, it shall

not be necessary for him to make the statement referred to in sub-section (1).

[3] (3) Every registered dealer referred to in sub-section (1) and (2) shall maintain a separate account of purchases and consumption, use or sale of local goods and separate bill books and invoices for the sales of local goods effected by him in the same local area in relation to which the goods are local goods.

[4] (4).....

(5) Where a registered dealer referred to in sub-section (1) or sub-section (2) has, in the course of his business, sold local goods to other registered dealers and has failed to make the statement referred to in sub-section (1) [5]....., it shall be presumed that he has facilitated the evasion of entry tax on the local goods so sold and accordingly [6] unless the contrary is proved by him, he shall be liable to pay penalty which shall not be less than two times, but shall not exceed five times of the amount of entry tax payable on such goods as if they were not goods of local origin.

(6) Where any registered dealer referred to in sub-section (2), in the course of his business has sold local goods purchased by him to other registered dealers and a bill, cash memo or invoice is not issued by him as required by sub-section (2) [7]....., it shall be presumed that he has facilitated the evasion of entry tax on the local goods so sold and [8] unless the contrary is proved by him, he shall be liable to pay penalty which shall not be less than two times, but shall not exceed five times of the amount of entry tax payable on such goods as if they were not goods of local origin.

[9] Provided that no penalty under sub-section (5) and sub-section (6) shall be imposed unless a reasonable opportunity of being heard is given to the dealer.

#### FOOTNOTES:

1. Section 7 has been substituted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

2. Substituted for the Schedule by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Earlier the words the Schedule were substituted for the words Schedule II wherever occurred in the Entry Tax Act, by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.

3. Sub-section (3) substituted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.

4. Sub-section (4) omitted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.

5. Omitted by Entry Tax (Amendment) Act, 1978 with effect from.

1.10.78.

6. Substituted for he shall be liable to pay penalty equal to ten times the amount of entry tax payable on such goods by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

7. Omitted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.

8. Substituted for he shall be liable to pay a penalty equal to ten times the amount of entry tax payable on such goods by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

9. Proviso inserted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

### **7A. Composition :-**

(1) Every registered dealer referred to in sub-section (1) or sub-section (2) of Section 7 may compound the liabilities imposed on him by Section 7 subject to such terms and conditions as may be prescribed, on payment by way of composition money of a sum equal to the amount of entry tax liable to be paid on the entry of such goods into local areas other than the local area in relation to which they are local goods and such amount shall be estimated in such manner as may be prescribed.

(2) The composition money estimated under sub-section (1) shall be paid within such time and in such manner as may be prescribed.

(3) The names of the dealers along with such particulars as may be prescribed who opt for compounding their liability as provided in sub-section (1) (hereinafter referred to as the composition scheme) shall be published in such manner as may be prescribed. The names of the dealers together with the particulars as aforesaid who withdraw from the composition scheme shall also likewise be published.

(4) [2] (a) A registered dealer who has opted for the composition scheme shall neither be required to make the statement referred to in sub-section (1) of Section 7 nor to pay the penalty under sub-section (5) or sub-section (6) of that Section.

(b) Every dealer who purchases local goods from a registered dealer who has compounded his liability shall be deemed to have purchased goods which have suffered entry tax and accordingly on the entry of such local goods into other local areas consequent on such purchase, entry tax shall not be payable by the purchasing dealer.

#### **FOOTNOTES:**

1. Section 7-A substituted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

2. Clause (a) substituted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.

### **8. Penalty For Failure To Fulfill Responsibility Or Obligation Undertaken :-**

Where any dealer issues a declaration under the provisions of this Act or the rules made thereunder or any notification issued under Section 10 wherein he has undertaken any specific responsibility or obligation in regard to any goods purchased by him after the issue of such declaration and he fails to fulfill such responsibility or

obligation, such dealer shall be liable to pay a penalty equal to one and a half times the entry tax computed at the rates mentioned in [1] Schedule - II or Schedule - III as the case may be, in respect of such goods:

Provided that, no penalty under this Section shall be imposed if under any provision of this Act or the rules made thereunder the default of the dealer for his failure to discharge such responsibility or obligation can be subjected to the imposition of any tax or penalty.

**FOOTNOTES:**

1. Substituted for the Schedule by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Earlier the words the Schedule were substituted for the words Schedule II or Schedule III wherever occurred in the Entry Tax Act, by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.

**9. Amendment Of Schedule-Ii And Iii :-**

[1] (1) The State Government may, by notification, amend Schedule - II and Schedule - III and thereupon each of the said Schedules shall stand amended accordingly:

Provided that the rate of tax in respect of any goods specified therein shall not exceed twice the rate of tax specified in the Schedules.

(2) No notification enhancing the rate of tax, shall be issued under sub-section (1) without giving in the Gazette such previous notice as the State Government may consider reasonable, of its intention to issue such notification.

(3) Every notification issued under sub-section (1) shall, as soon as may be, after it is issued be laid on the table of the Legislative Assembly.

**FOOTNOTES:**

1. Section 9 substituted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Prior to substitution Section 9 read as under: (1) The State Government may, by notification, amend rate of entry tax specified in the Schedule and thereupon the said Schedule shall stand amended accordingly: \$Provided that the rate of entry tax shall not be increased by more than double the rate specified in the Schedule.

Provided further that no notification shall be issued under this Section without giving in the "Gazette" such previous notice, as the State Government may consider reasonable, of its intention to issue

such notification.

(2) Every notification issued under sub-section (1) shall, as soon as may be, after it is issued, be laid on the table of the Legislative Assembly.

Earlier the words the Schedule were substituted for the words Schedule II and Schedule III wherever occurred in the Entry Tax Act, by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97 Subs. for the words each of the said Schedules by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97

\$ Earlier this Proviso was substituted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Prior to 1.5.97 the proviso read as under:

"Provided that the rate of entry tax shall not be increased by more than twenty five per cent in the aggregate, of the rate specified in the Schedule at the commencement of this Act."

### **10. Power To Exempt :-**

The State Government may, by notification, and subject to such restrictions and conditions as may be specified therein, exempt, whether prospectively or retrospectively, in whole or in part:

(i) any class of dealers or persons, or any goods or class of goods, from the payment of entry tax under this Act in respect of all or any of the local areas, for such period as may be specified in the notification;

(ii) any dealer or class of dealers, from any provision of the Act as may specified in the notification:

Provided that in respect to the period during which the Ordinance repealed under Section 24 was in force, the retrospective effect may be given from the date of the commencement of the said Ordinance as if the liability to pay tax arose under this Act and for that purpose it shall and shall always be deemed that the provisions of this Act to the extent they correspond to the provisions of the said Ordinance were in force during the material times.

#### **FOOTNOTES:**

1 . Section 10 substituted by Entry Tax (Amendment) Act, 1976 with effect from. 1.9.76.

### **11. Burden Of Proof :-**

(1) The burden of proving -

(a) that [1] a dealer or a person notified under sub-section (2) of

Section 3 has not effected the entry of any goods specified in Schedule - II into a local area for consumption, use or sale therein;

[2] (b) that a dealer has not effected the entry of any goods specified in Schedule - III or a person notified under sub-section (2) of Section 3 has not effected the entry of any goods specified in Schedule - III and notified under sub-section (2) of Section 3 into a local area for consumption or use therein;

(c) that a dealer is entitled to deduction in respect of purchase value of local goods for the purpose of the computation of taxable purchase value;

(d) that goods purchased by a dealer in a local area from a person or a dealer who is not a registered dealer had not entered into that local area before they were purchased by him;

(e) that a dealer is entitled to any other deductions in computing the taxable quantum;

[3] (f) that a person has not effected the entry of the motor vehicle into a local area for consumption, use or sale therein;

[4] shall be on the dealer, or such person, as the case may be.

[5] (2) For purposes of claiming deduction in respect of the purchase value of local goods [6] 2which have been consumed, used or sold in the same local area in relation to which such goods are local goods the dealer shall produce a bill, invoice or cash memo in the manner specified in Section 7 obtained from the registered dealer from whom he has purchased the local goods in that local area as provided in sub-section (1) and (2) of Section 7.

#### FOOTNOTES:

1. Substituted for the words a dealer or a person has not effected the entry of any goods specified in the Schedule by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

The words notified under sub-section (2) of Section 3 as appearing in the present provisions were omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.

2. Clause (b) and (c) inserted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

These clauses were earlier omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Prior to omission clause (b) & (c) read as under:

(b) that a dealer has not effected the entry of any goods specified in Schedule III or a person notified under sub-section (2) of Section 3 has not effected the entry of any goods specified in Schedule III and notified under sub-section (2) of Section 3 into a local area for consumption or use therein, as raw material or

incidental goods or as packing material or in the execution of works contracts or otherwise;

(c) that a dealer is entitled to deduction in respect of purchase value of local goods for the purpose of the computation of taxable purchase value;

3. Clause (f) inserted by Entry Tax (Amendment) Act, 1999 with effect from. 1.5.99.

4. Substituted by Entry Tax (Amendment) Act, 1982.

5 . Sub-section (2) substituted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

6. Substituted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.

## **12. Rate At Which Entry Tax To Be Charged On Goods Under Section 3(2) :-**

[1](1) The entry tax payable under sub-section (2) of Section 3 shall be levied on the value of goods notified thereunder at such rate, not exceeding 20 per cent, as the State Government may, by notification, specify, and different rates may be specified for different goods. The entry tax shall be assessed and collected by such authority and in such manner as may be prescribed.

(2) Appeal or revision against the order of the assessing authority under sub-section (1) shall lie to such authority, within such period and in such manner as may be prescribed.

(3) The assessing authority, the appellate authority and the revising authority shall, for the purposes of this section, have the same powers as are exercisable by those authorities under this Act in respect of a dealer and the provisions of this Act relating to assessment, appeal and revision of a dealer shall apply in respect of a person to whom sub-section (1) applies."

### **FOOTNOTES:**

1 . Section 12 inserted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97.

This Section was earlier omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Prior to 1.5.97 the provisions of Section 12 were similar to the present provisions.

## **13. Certain Provisions Of Vanijyik Kar Adhiniyam To Apply :-**

[1] Subject to the provisions of this Act and the rules made thereunder, Section 3, 11, 26, 27, 28, 29, 30, 31, 32, 33, 36, 38,

39, 40, 41, 42, 43, 45, 46, 47, 49, 52, 54, 55, 56, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 75, 76, 77 and 80 of the Vanijyik Kar Adhiniyam and the rules made and orders and notifications issued thereunder shall mutatis mutandis apply to a dealer or person in respect of the entry tax levied and payable under this Act as if these Sections were mutatis mutandis incorporated in this Act and the rules, orders and notifications issued under those Sections were mutatis mutandis made or issued under the relevant Sections as so incorporated in this Act.

**FOOTNOTES:**

1. Section 13 substituted by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95. Prior to substitution it read as under: Sec. 13: Certain provisions of Sales Tax Act to apply-

Subject to the provisions of this Act and the rules made thereunder, Section 3, 7-A, 17, 18, 19, 20, 21, 22, 22-A, 22-C, 23, 24, 24-A, 26, 27, 29, 30, 31, 33, 33-B 34, 35, 36, 38, 39, 39-A, 40, 41, 42, 42-A, 43, 44, 45, 45-A, 46, 47, 47-A, 48 and 51 of the Sales Tax Act and the rules, orders and notifications issued thereunder shall mutatis mutandis apply to a dealer in respect of entry tax levied and payable under this Act as if those Sections were mutatis mutandis incorporated in this Act and the rules, orders and notifications issued under those Sections were mutatis mutandis issued under the relevant Sections as so incorporated in this Act.

**14. Assessment, Collection Etc. Of Entry Tax :-**

Subject to the provisions of this Act and the rules made thereunder the administration of this Act in so far as it relates to levy, assessment and collection of entry tax from dealers shall vest in the authorities specified in Section 3 of the [1] Vanijyik Kar Adhiniyam, and accordingly the authorities for the time being empowered to assess, re-assess, collect and enforce payment of any tax under the Vanijyik Kar Adhiniyam shall assess, reassess, collect and enforce the payment of entry tax including any penalty payable by a dealer under this Act as if the tax or penalty payable by such dealer under this Act or under the provisions of the Vanijyik Kar Adhiniyam as made applicable under Section 13 to dealers in relation to tax levied under this Act is a tax or penalty payable under that Act and for this purpose they may exercise all or any of the powers conferred upon them by or under that Act.

**FOOTNOTES:**

1. Substituted for the words Sales Tax Act wherever occurred in Section 14 by Entry Tax (Amendment) Act, 1995, with effect from. 1.4.95.

**15. Omitted :-**

**16. Omitted :-**

[1] Omitted w.e.f. 1.5.77

**FOOTNOTES:**

1. Section 15 & 16 relating to Appeal & Revision omitted by Entry Tax (Amendment) Act, 1977.

**17. Omitted :-**

[1] Omitted w.e.f. 1.4.78

**FOOTNOTES:**

1. Section 17 relating to credit of the proceeds of entry tax to Octroi Compensation Fund omitted by Entry Tax (Amendment) Act, 1978 with effect from. 1.4.78.

**18. Finality Of Orders :-**

Save as otherwise expressly provided in this Act every order made by an assessing authority, appellate authority or a revising authority under this act shall be final and shall not be called in question in any original suit, application or execution or proceeding and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act or in respect of any recovery to be made as an arrear of land revenue.

**19. Omitted :-**

Omitted w.e.f. 1.5.97 [1]

**FOOTNOTES:**

1. Section 19 omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Earlier to the omission Section 19 read as under:

"Sec. 19: Set off in certain cases

Where entry tax is payable by a dealer or by any person in respect of the entry of goods into a local area comprised within the limits of a Cantonment Board and a tax in the nature of an entry tax or octroi is levied by the Cantonment Board on the entry of goods into

that local area for consumption, use or sale therein, such dealer or person shall be entitled to a set off in the prescribed manner of an amount equal to either the tax proved to have been actually paid by him to the Cantonment Board or the tax payable under this Act, whichever is less."

## **20. Power To Make Rules :-**

(1)The State Government may make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, the State Government may make rules prescribing

[1] (a).....

[2] (b)the manner in which set off shall be adjusted under the first proviso to sub-section (1) of Section 3;

[3] (c) (i) the conditions and restrictions under the first proviso to sub-section (1) of Section 4;

(ii) the restrictions and conditions subject to which a registered dealer shall be entitled to set off or refund under the second proviso to sub-section (1) of Section 4 and the proportion in which he shall be entitled thereto;"

[4] (d).....

[5] (e) the manner in which details shall be specified under sub-section (1) of Section 7;

[6] (ee) (i) the terms and conditions on which the registered dealer may compound the liability and the manner in which composition money shall be estimated under sub-section (1) of Section 7-A;

(ii) the time within which and the manner in which the composition money shall be paid under sub-section (2) of Section 7-A;

(iii) the particulars and the manner in which the names of dealers and particulars shall be published under sub-section (3) of Section 7-A;

[7] (f) (i) the authority by which and the manner in which the assessment and collection of entry tax shall be made under sub-section (1) of Section 12;

(ii) the authority to which, the period within which and the manner in which an appeal or revision shall lie under sub-section (2) of Section 12;"

[8] (g) & (h).....

[9] (i).....

(j) the form in which and the authority to which declaration shall be furnished under proviso to Section 21;

(k) any other matter which has to be or may be prescribed.

(3) All rules made under this Section shall be laid on the table of the legislative Assembly.

**FOOTNOTES:**

1. Clause (a) omitted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

2. Clause (b) substituted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

3. Clause (c) inserted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. This clause was earlier omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Prior to omission the provisions of clause (c) were same as at present.

4. Clause (d) omitted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

5. Clause (e) substituted by Entry Tax (Amendment) Act, 1978 with effect from. 1.10.78.

6. Clause (ee) substituted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

7. Inserted by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97, with effect from. 1.10.97. This clause was earlier omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Prior to omission the provisions of clause (f) were same as at present.

8. Clause (g) & (h) omitted by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

9. Clause (i) omitted by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97. Earlier to the omission clause (i) read as under:  
(i) the manner in which the set off shall be given under Section 19

**21. Transitory Provisions :-**

Notwithstanding anything contained in this act where entry of any goods specified in [1] Schedule - II or Schedule - III of this Act had been effected by a dealer into a local area before the 1st day of May, 1976 and such dealer had paid the tax levied by the concerned local authority under the law relating to local authority on the entry of such goods into a local area for consumption, use or sale therein, then such dealer shall not be liable to tax under this Act in respect of the consumption, use or sale of such goods in that local area on or after such date and accordingly in computing the taxable quantum of the dealer who had paid such tax a deduction shall be given in respect of the value of such goods:

Provided that nothing in this Section shall apply unless the dealer furnishes a declaration in such form and to such authority as may be prescribed within three months from the date of commencement of this Act.

**FOOTNOTES:**

1. Substituted for the Schedule by Entry Tax (Second Amendment) Act, 1997, with effect from. 1.10.97. Earlier the words Schedule II or Schedule III were substituted for the words the Schedule by Entry Tax (Amendment) Act, 1997, with effect from. 1.5.97.

**22. Section 10 Of Madhya Pradesh Act 3 Of 1958 To Apply :-**

The provisions of Section 10 of the Madhya Pradesh General Clauses Act, 1957 (No. 3 of 1958) shall apply in relation to matters pending on the 1st day of May, 1976 with respect to Octroi tax levied by a local authority under the law relating to local authority prior to the said date as it would have applied had the relevant provisions of the law relating to local authority been repealed by this Act.

**23. Removal Of Difficulty :-**

If any difficulty arises in giving effect to the provisions of this Act in consequence of the transition to the said provisions from the corresponding provisions contained in any law relating to local authorities, the State Government may, by an order notified in "Gazette" make such provisions not inconsistent with this Act as appear to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this Section after the expiry of a period of [1] two years from the 1st day of May, 1976.

**FOOTNOTES:**

1. Substituted for the words one year by Entry Tax (Amendment) Act, 1977 with effect from. 1.5.77.

**24. Repeal :-**

As from the date specified in sub-section (2) of Section 1, the Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh ParKar Adhyadesh, 1976 (No. 6 of 1976) shall stand repealed.

**SCHEDULE 1**

**SCHEDULE I**