

## **Rajasthan Sales Tax (Amendment) Act, 1982**

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## **Rajasthan Sales Tax (Amendment) Act, 1982**

An Act further to amend the Rajasthan Sales Tax Act, 1954. BE it enacted by the Rajasthan State Legislature in the Thirty-Third Year of the Republic of India as follows:

### **1. Short title and commencement :-**

(1) This Act may be called the Rajasthan Sales Tax (Amendment) Act, 1982. (2) It shall come into force at once.

### **2. Amendment of section 2, Rajasthan Act 29 of 1954 :-**

In the first proviso to clause (t) of section 2 of the Rajasthan Sales Tax Act, 1954 (Rajasthan Act 29 of 1954), hereinafter referred to as the principal Act, between the words "proceeds of the sale" and the words "by a person", the words "made within the State" shall be inserted.

### **3. Amendment of section 3, Rajasthan Act 29 of 1954 :-**

In sub-section (1) of section 3 of the principal Act, - (a) for clause (a), the following shall be substituted, namely:- "(a) (i) in the case of a dealer who imports goods Rs. 10,000/-; (ii) in the case of a dealer who manufactures any goods other than cooked food excluding bakery products Rs. 25,000/-"; (b) in clause (b), for the expression "Rs. 25,000/-", the expression "Rs. 50,000/-" shall be substituted; (c) in clause (c), for the expression "Rs. 50,000/-", the expression "Rs. 75,000/-" shall be substituted; (d) after the expression "on his taxable turnover", the expression "if his taxable turnover exceeds Rs. 5,000/- in the previous year" shall be added; and (e) in the second proviso, after the expression "by the Rajasthan Finance Act, 1979 (See (1979) 43 STC Statutes 111.)",

the expression "or of this sub-section by the Rajasthan Sales Tax (Amendment) Act, 1982" shall be inserted.

**4. Amendment of section 14, Rajasthan Act 29 of 1954 :-**

In section 14 of the principal Act, - (a) in sub-section (1), after the expression "under section 12B", the expression "or section 17A" shall be inserted; and (b) in sub-section (2), after the expression "under section 12B", the expression "or section 17A" shall be inserted.

**5. Insertion of new section 17A, Rajasthan Act 29 of 1954 :-**

After section 17 of the principal Act, the following new section shall be inserted, namely:- "17A. Power to reduce or waive interest and penalty in certain cases. - Notwithstanding anything contained in this Act, the Commissioner may, on an application made in this behalf by the dealer and after recording his reasons for so doing, reduce or waive the amounts of any interest or penalty or both payable by the dealer under this Act, if he is satisfied that - (a) to do otherwise would cause genuine hardship to the dealer having regard to the circumstances of the case; and (b) the dealer has co-operated in any inquiry relating to the assessment or any proceeding for the recovery of any amount due from him."

**6. Amendment of section 23, Rajasthan Act 29 of 1954 :-**

In sub-section (2) of section 23 of the principal Act, for the expression "4%", the expression "12%" shall be substituted. The Statement of Objects and Reasons appended to the Rajasthan Sales Tax (Amendment) Bill, 1982 (Bill No. 14 of 1982) (Rajasthan Gazette, Extraordinary, Part 3(A), dated 6th March, 1982, page 239.), runs as follows:- Under the first proviso to clause (t) of section 2 of the principal Act, the proceeds of sale by a person of agricultural or horticultural produce is excluded from his turnover. Many unscrupulous dealers make inter-State sales of agricultural or horticultural produce in the name of farmers resulting in large-scale evasion of tax. To curb this tendency, amendment has been decided to be made in this proviso to provide that only the sales of these produces within the State shall be excluded from his turnover. The present limits of turnover specified in section 3 of the principal Act on the basis of which incidence of sales tax falls on a dealer are too low and a large number of dealers are required to be registered without much revenue to the State Exchequer. It has, therefore, been decided to raise the limits of turnover as specified

in clause 3 of the Bill in order to reduce unproductive work in the department. In many cases, it has been noticed that the matter of recovery of tax does not become final for the reason that the amount of interest and penalty is even larger than the amount of original demand. The arrears amount largely because of the exorbitant amount of interest and penalty that accumulated and the dealers are genuinely in circumstances beyond control to clear these arrears. In order to facilitate recovery of tax in such circumstances, provision is proposed to be inserted to give the Commissioner power to reduce or waive interest or penalty or both in certain circumstances. Under the provisions of section 11B of the principal Act, a dealer has to pay interest at 15% per annum if he makes default in payment of tax for a period up to three months and at 18% per annum in case the default continues thereafter. It has, therefore, been considered proper that the present rate of interest at 4% per annum allowable in case of default in making refund of tax within the time-limit specified in sub-section (2) of section 23 of the principal Act should be raised to 12% per annum. Hence this Bill.