

**Tamil Nadu Value Added Tax (Second Amendment) Act,
2008**

49 Of 2008

[28 November 2008]

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**Tamil Nadu Value Added Tax (Second Amendment) Act,
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An Act further to amend the Tamil Nadu Value Added Tax Act, 2006. BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Fifty-ninth Year of the Republic of India as follows:-

1. Short Title And Commencement :-

- (1) This Act may be called the Tamil Nadu Value Added Tax (Second Amendment) Act, 2008.
- (2) It shall be deemed to have come into force on the 18 day of June 2008.

2. Amendment Of Section 3 :-

In section 3 of the Tamil Nadu Value Added Tax Act, 2006 (hereinafter referred to as the principal Act), for sub-section (4), the following sub-section shall be substituted, namely:-

"(4) (a) Notwithstanding anything contained in sub-section (2), but subject to the provisions of sub-section (1), every dealer, who effects second and subsequent sales of goods purchased within the State, whose turnover relating to taxable goods, for a year, is less

than rupees fifty lakhs may, at his option, instead of paying tax under sub-section (2), pay a tax, for each year, on his turnover relating to taxable goods at such rate not exceeding one per cent, as may be notified by the Government. Such option shall be exercised by a dealer,-

(i) Who commences business, within thirty days from the date of commencement of the business;

(ii) Whose turnover relating to taxable goods is below rupees fifty lakhs during the previous year, on or before the 30th day of April of the year for which he exercises such option;

(iii) for the year 2008-2009, within thirty days from the date of commencement of the Tamil Nadu Value Added Tax (Second Amendment) Act, 2008:

Provided that such dealer shall not collect any amount by way of tax or purporting to be by way of tax:

Provided further that such dealer shall not be entitled to input tax credit on the goods purchased by him:

Provided also that the dealer who purchased goods from such dealer shall not be entitled to input tax credit on the goods purchased by him.

(b) If the turnover relating to taxable goods of a dealer paying tax under clause (a), in a year, reaches rupees fifty lakhs at any time during that year, he shall inform the assessing authority in writing within seven days from the date on which such turnover has so reached. Such dealer is liable to pay tax under sub-section (2) on all his sales of rupees fifty lakhs and above and he is entitled to the input tax credit on the purchases made from the date, and on the stock available with him, the purchases of which has been made within ninety days before the date, on which such turnover has reached rupees fifty lakhs;

Provided that such dealer whose turnover relating to taxable goods has reached rupees fifty lakhs during the previous year shall not be entitled to exercise such option for subsequent years.

3. Amendment Of Section 21 :-

In section 21 of the principal Act, for the expression "Every dealer, liable to pay tax under this Act", the expression "Every dealer, registered under this Act" shall be substituted.

4. Insertion Of New Section 87-A :-

After Section 87 of the principal Act, the following section shall be

inserted, namely: -

"87-A. Assessment of sales in certain cases:-- Notwithstanding anything contained in this Act, the assessment of a dealer under the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959) or under the Tamil Nadu Additional Sales Tax Act, 1970 (Tamil Nadu Act 14 of 1970), in respect of the assessment for the period from the 1st day of April 2006 to the 31st day of December 2006, shall be on the basis of the return filed by him and such return shall be accepted in accordance with the rules as may be prescribed."

5. Repeal And Saving :-

(1) The Tamil Nadu Value Added Tax (Second Amendment) Ordinance, 2008 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

(By order of the Governor)

S. Dheenadhayalan,
Secretary to Government,
Law Department.