

Uttar Pradesh Value Added Tax (Second Amendment) Act, 2009

[27 May 2009]

CONTENTS

1. Short title and commencement
2. Amendment of section 2 of UP Act no. 5 of 2008
3. Insertion of new section 3A
4. Repeal and Saving

Uttar Pradesh Value Added Tax (Second Amendment) Act, 2009

[27 May 2009]

An Act Further to amend the Uttar Pradesh Value Added Tax Act, 2008 It is hereby enacted in the Sixtieth Year of the Republic of India as follows:-

1. Short title and commencement :-

(1) This Act may be called the Uttar Pradesh Value Added Tax (Second Amendment) Act, 2009. (2) It shall be deemed to have come into force on May 27, 2009

2. Amendment of section 2 of UP Act no. 5 of 2008 :-

In Section 2 of the Uttar Pradesh Value Added Tax Act, 2008 hereinafter referred to as the principal Act, in clause (ag) after sub-clause (ii) the following sub-clause shall be inserted, namely:- "(iii) the amount of additional tax leviable under section 3-A;"

3. Insertion of new section 3A :-

After Section 3 of the principal Act, the following, section shall be inserted, namely:- "3-A Levy of additional tax:- (1) Notwithstanding anything to the contrary contained in any other provision of this Act but subject to the provisions of sub-section (2), every dealer liable to pay tax. Tax under this Act shall be liable to pay in addition to the tax payable under any other provision of this Act, an additional tax on the taxable turnover of sale or purchase of goods or both at such rate not exceeding five percent, as may be specified by the State Government by notification in the

Gazette. Different rates may be specified in respect of different goods or different classes of goods. (2) No additional tax under sub-section (1) shall be levied and paid on:- (a) the turnover of sale or purchase or both as the case may be, of goods specified in column 2 of Schedule I and Schedule III; (b) the turnover of sale or purchase or both as the case may be of goods declared to be of special importance in the interstate trade or commerce under section 14 of the Central Sales Tax Act, 1956; (c) such sale or purchase, or sale or purchase of such goods by such class of dealers, as may be specified in the notification issued by the State Government under clause (c) of section 7. (3) The amount paid under sub-section (1) shall be eligible for input tax credit in accordance with the provisions of section 13. (4) Any dealer who avails the facility of composition of tax under section 6 shall also be eligible for availing the facility of composition with respect to additional tax. (5) The Additional Tax leviable under this section shall cease to be levied after a period of five years from the date of publication of the notification issued by the State Government under sub-section (1).

4. Repeal and Saving :-

(1) The Uttar Pradesh Value Added Tax (Amendment) Ordinance, 2009 is hereby repealed. (2) Notwithstanding such repeal, anything done or any act or taken under the provisions of the principal Act as amended by the Ordinance referred to in sub-section (1) shall be deemed to have been done or taken under the corresponding provisions of the principal Act as amended by this Act as if the provisions of this Act were in force at all material times. Statement of Objects and Reasons With a view to augmenting revenues of the State it was decided to amend to the Uttar Pradesh Value Added Tax Act, 2008 (U.P. Act no. 5 of 2008) to provide for,- (a) including the additional tax in the definition of the tax; (b) empowering the State Government to specify by notification in the Gazette, the rate of additional tax not exceeding 5% on the taxable turnover of sale or purchase of goods or both which the dealers liable to pay in addition to the tax payable under the Act; (c) exemption from levy and payment of additional tax on,- (i) the turnover of sale or purchase or both as the case may be, of goods specified in column 2 of Schedule I and Schedule III; (ii) the turnover of sale or purchase or both as the case may be, of goods declared to be of special importance in the interstate trade or commerce under section 14 of the Central Sales Tax Act, 1956; (iii) such sale or

purchase, or sale or purchase of such goods by such class of dealers, as may be specified in the notification issued by the State Government under clause (c) of section 7; (d) making the amount of additional tax eligible for input credit. Since the State Legislature was not in session and immediate legislative action was necessary to implement the aforesaid decision, the Uttar Pradesh Value Added Tax (Amendment) Ordinance, 2009 (U.P. Ordinance no. 1 of 2009) was promulgated by the Governor on May 27, 2009. This Bill is introduced to replace the aforesaid Ordinance.