

**THE ARUNACHAL PRADESH
LEGISLATIVE ASSEMBLY**

**THE ARUNACHAL PRADESH GOODS AND SERVICES TAX
(AMENDMENT) BILL, 2023**

(TO BE INTRODUCED IN THE LEGISLATIVE ASSEMBLY)

THE ARUNACHAL PRADESH GOODS AND SERVICES TAX (AMENDMENT) Bill, 2023

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BILL

further to amend the Arunachal Pradesh Goods and Services Tax Act, 2017, (Act No. 7 of 2017).

Whereas, it is expedient to amend the Arunachal Pradesh Goods and Services Tax Act, 2017, (Act No. 7 of 2017) (hereinafter referred to as the principal Act), in the manner hereinafter appearing;

Preamble.

Be it enacted by the Legislative Assembly of Arunachal Pradesh in the Seventy-fourth Year of the Republic of India as follows:-

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| <p>1. (1) This Act may be called the Arunachal Pradesh Goods and Services Tax (Amendment) Act, 2023.</p> <p>(2) It extends to the whole of Arunachal Pradesh.</p> <p>(3) Save as otherwise provided, the provisions of this Act shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint:</p> | <p>Short title, extent and commencement:</p> |
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Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

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| <p>2. In section 2 of the Arunachal Pradesh Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act),-</p> | <p>Amendment of section 2</p> |
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- (a) after clause (80), the following clauses shall be inserted, namely:-

'(80A) "online gaming" means offering of a game on the internet or an electronic network and includes online money gaming;

(80B) "online money gaming" means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force;";

- (b) after clause (102), the following clause shall be inserted, namely:-

'(102A) "specified actionable claim" means the actionable claim involved in or by way of-

- (i) betting
- (ii) casinos;
- (iii) gambling;
- (iv) horse racing;
- (v) lottery; or
- (vi) online money gaming;";

- (c) in clause (105), the following proviso shall be inserted at the end, namely:-
- "Provided that a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims;"
- (d) after clause (117), the following clause shall be inserted, namely:-
- '(117A) "virtual digital asset" shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income-tax Act, 1961 ;'
- Amendment of section 10
3. In the Principal Act, in section 10,-
- In sub-section (2), in clause (d), the words "goods or" shall be omitted;
 - In sub-section (2A), in clause (c), the words "goods or" shall be omitted.
- Amendment of section 16
4. In the Principal Act, in section 16, in sub-section (2),-
- in the second proviso, for the words "added to his output tax liability, along with interest thereon", the words and figures "paid by him along with interest payable under section 50" shall be substituted;
 - in the third proviso, after the words "made by him", the words "to the supplier" shall be inserted.
- Amendment of section 17
5. In the Principal Act, in section 17,-
- in sub-section (3), in the Explanation, for the words and figure "except those specified in paragraph 5 of the said Schedule", the following shall be substituted, namely:- "except,-
 - the value of activities or transactions specified in paragraph 5 of the said Schedule; and
 - the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule.";
 - in sub-section (5), after clause (f), the following clause shall be inserted, namely:-

"(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;"
- Amendment of section 23
6. In the Principal Act, in section 23, sub-section (2), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:-

- "(2) Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act."
7. In section 24 of the principal Act,-
- (a) in clause (xi), the word "and" occurring at the end, shall be omitted;
- (b) after clause (xi), the following clause shall be inserted, namely:
- "(xia) every person supplying online money gaming from a place outside India to a person in India; and"
8. In the Principal Act, in section 30, in sub-section (1),-
- (a) for the words "the prescribed manner within thirty days from the date of service of the cancellation order:", the words "such manner, within such time and subject to such conditions and restrictions, as may be prescribed." shall be substituted;
- (b) the proviso shall be omitted.
9. In the Principal Act, in section 37, after sub-section (4), the following sub-section shall be inserted, namely:-
- "(5) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period after the expiry of a period of three years from the due date of furnishing the said details:
- Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies for a tax period under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said details."
10. In the Principal Act, in section 39, after sub-section (10), the following sub-section shall be inserted, namely:-
- "(11) A registered person shall not be allowed to furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return:
- Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return for a tax period, even after the expiry of the said period of three years from the due date of furnishing the said return."
11. In the Principal Act, Section 44 shall be renumbered as sub-section (1) thereof, and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:-
- "(2) A registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return:

Provided that the Government may, on the recommendations of the Council, by notification, and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish an annual return for a financial year under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return."

Amendment of section 52 12. In the Principal Act, in section 52, after sub-section (14), the following sub-section shall be inserted, namely:-

"(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement".

Amendment of section 54 13. In the Principal Act, in section 54, in sub-section (6), the words "excluding the amount of input tax credit provisionally accepted," shall be omitted.

Amendment of section 56 14. In the Principal Act, in section 56, for the words "from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax", the words "for the period of delay beyond sixty days from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed" shall be substituted.

Amendment of section 62 15. In the Principal Act, in section 62, in sub-section (2),-

(a) for the words "thirty days", the words "sixty days" shall be substituted;

(b) the following proviso shall be inserted, namely:-

"Provided that where the registered person fails to furnish a valid return within sixty days of the service of the assessment order under sub-section (1), he may furnish the same within a further period of sixty days on payment of an additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of the said assessment order and in case he furnishes valid return within such extended period, the said assessment order shall be deemed to have been withdrawn, but the liability to pay interest under sub-section (1) of section 50 or to pay late fee under section 47 shall continue".

Substitution of section 109 16. In the Principal Act, in-section 109, the following section shall be substituted, namely:-

"109. Subject to the provisions of this Chapter, the Goods and Services Tax Tribunal constituted under the Central Goods and Services Tax Act, 2017 shall be the Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority under this Act.

Constitution of Appellate Tribunal and Benches thereof.

17. In the principal Act, Section 110 and 114 shall be omitted. Omission of section 110 and 114
18. In the Principal Act, in section 117,-
 (a) in sub-section (1), for the words "State Bench or Area Benches", the words "State Benches" shall be substituted;
 (b) in sub-section (5), in clauses (a) and (b), for the words "State Bench or Area Benches", the words "State Benches" shall be substituted. Amendment of section 117
19. In the Principal Act, in section 118, in sub-section (1), in clause (a), for the words "National Bench or Regional Bench", the words "Principal Bench" shall be substituted. Amendment of section 118
20. In the Principal Act, in section 119,-
 (a) for the words "National or Regional Benches", the words "Principal Bench" shall be substituted;
 (b) for the words "State Bench or Area Benches", the words "State Benches" shall be substituted. Amendment of section 119
21. In the Principal Act, in section 122, after sub-section (1A), the following sub-section shall be inserted, namely:-
 "(1B) Any electronic commerce operator who-
 (i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;
 (ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or
 (iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher". Amendment of section 122
22. In the Principal Act, in section 132, in sub-section (1),-
 (a) clauses (g), (j) and (k) shall be omitted;
 (b) in clause (l), for the words, brackets and letters "clauses (a) to (k)", the words, brackets and letters "clauses (a) to (f) and clauses (h) and (i)" shall be substituted;
 (c) in clause (iii), for the words "any other offence", the words, brackets and letter "an offence specified in clause (b)," shall be substituted;
 (d) in clause (iv), the words, brackets and letters "or clause (g) or clause (j)" shall be omitted. Amendment of section 132

Amendment of section 138

23. In the Principal Act, in section 138,-

(a) in sub-section (1), in the first proviso,-

(i) for clause (a), the following clause shall be substituted, namely:-

"(a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f), (h), (i) and (l) of sub-section (1) of section 132;"

(ii) clause (b) shall be omitted;

(iii) for clause (c), the following clause shall be substituted, namely:

"(c) a person who has been accused of committing an offence under clause (b) of sub-section (1) of section 132;"

(iv) clause (e) shall be omitted;

(b) in sub-section (2), for the words "ten thousand rupees or fifty per cent. of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent of the tax, whichever is higher", the words "twenty five per cent. of the tax involved and the maximum amount not being more than one hundred per cent. of the tax involved" shall be substituted.

Insertion of new section 158 A

24. In the Principal Act, after section 158, the following section shall be inserted, namely:-

Consent based sharing of information furnished by taxable person

"158A. (1) Notwithstanding anything contained in sections 133, 152 and 158, the following details furnished by a registered person may, subject to the provisions of sub-section (2), and on the recommendations of the Council, be shared by the common portal with such other systems as may be notified by the Government, in such manner and subject to such conditions as may be prescribed, namely:-

- (a) particulars furnished in the application for registration under section 25 or in the return filed under section 39 or under section 44;
- (b) the particulars uploaded on the common portal for preparation of invoice, the details of outward supplies furnished under section 37 and the particulars uploaded on the common portal for generation of documents under section 68;
- (c) such other details as may be prescribed.

(2) For the purposes of sharing details under sub-section (1), the consent shall be obtained, of-

- (a) the supplier, in respect of details furnished under clauses (a), (b) and of sub-section (1); and
- (b) the recipient, in respect of details furnished under clause (b) of sub-section (1), and under clause (c) of sub-section (1) only where such details include identity information of the recipient, in such form and manner as may be prescribed.

(3) Notwithstanding anything contained in any law for the time being in force, no action shall lie against the Government or the common portal with respect to any liability arising consequent to information shared under this section and there shall be no impact on the liability to pay tax on the relevant supply or as per the relevant return."

25. In the principal Act, in Schedule III, in paragraph 6, for the words "lottery, betting and gambling" the words "specified actionable claims" shall be substituted. **Amendment of Schedule III**

26. The amendments made under this Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casino, gambling, horse racing, lottery or online gaming. **Transitory Provision.**

STATEMENT OF OBJECTS AND REASONS

The proposed legislation will enable administration of taxation under GST in a better and efficient manner. The different clauses of the proposed legislation for amendment of the Arunachal Pradesh Goods and Services Act, 2017 are:

Clause 1 of the Bill provides for short title and commencement.

Clause 2 of the Bill seeks to amend section 2 of the Arunachal Pradesh Goods and Services Tax Act, 2017 by inserting a new clauses (80A), (80B), (102A), proviso in clause (105) and (117A) so as to define the expression "online gaming", "online money gaming", "specified actionable claim" and "virtual digital asset".

Clause 3 of the Bill seeks to amend clause (d) of sub-section (2) and clause (c) of sub-section (2A) in section 10 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the composition levy.

Clause 4 of the Bill seeks to amend second and third provisos to sub-section (2) of section 16 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to align the said sub-section with the return filing system provided in the said Act.

Clause 5 of the Bill seeks to amend Explanation under sub-section (3) of section 17 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to restrict availment of input tax credit in respect of certain transactions specified in clause (a) of paragraph 8 of Schedule III of the said Act, as may be provided by rules, by including the value of such transactions in the value of exempt supply.

It also seeks to insert clause (fa) after clause (f) in the sub-section (5) so as to provide that input tax credit shall not be available in respect of goods or services or both received by a taxable person which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013.

Clause 6 of the Bill seeks to substitute, with effect from the 1st day of July, 2017, sub-section (2) of section 23 of the Arunachal Pradesh Goods and Services Tax Act, 2017 relating to persons not liable for registration so as to provide overriding effect to the said section over sub-section (1) of section 22 and section 24 of the said Act.

Clause 7 of the Bill seeks to amend section 24 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to insert a new clause to provide for mandatory registration of the person for supplying online money gaming from a place outside India to person in India.

Clause 8 of the Bill seeks to omit first proviso to sub-section (1) of section 30 of the Arunachal Pradesh Goods and Services Tax Act, 2017.

It further seeks to amend sub-section (1) so as to do away with the prevailing system of the revocation of cancellation.

Clause 9 of the Bill seeks to insert a new sub-section (5) in section 37 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to provide a time limit of three years up to which the details of outward supplies under sub-section (1) of the said section for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 10 of the Bill seeks to insert a new sub-section (11) in section 39 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to provide a time limit of three years up to which the return for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 11 of the Bill seeks to insert a new sub-section (2) in section 44 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to provide a time limit of three years upto which the annual return under sub-section (1) of the said section for a financial year can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

Clause 12 of the Bill seeks to insert a new sub-section (15) in section 52 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to provide a time limit of three years up to which the statement under sub-section (4) of the said section for a month can be furnished by an electronic commerce operator. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time limit for an operator or a class of operators, subject to certain conditions and restrictions.

Clause 13 of the Bill seeks to amend sub-section (6) of section 54 of the Arunachal Pradesh Goods and Services Tax Act, 2017 by removing reference to the provisionally accepted input tax credit so as to align the same with the present scheme of availment of self-assessed input tax credit as per sub-section (1) of section 41 of the said Act.

Clause 14 of the Bill seeks to amend section 56 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to provide by rules the manner of computation of period of delay for calculation of interest on delayed refunds.

Clause 15 of the Bill seeks to amend and insert a proviso to sub-section (2) of section 62 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to extend time limit to furnish a valid return within sixty days of the service of the assessment order under sub-section (1) of the said section.

Clause 16 of the Bill seeks to substitute section 109 of the Arunachal Pradesh Goods and Services Tax Act, 2017 for Constitution of Appellate Tribunal and Benches under the Central Goods and Services Tax Act, 2017 for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority under this Act.

Clause 17 of the Bill seeks to omit section 110 and 114 of the Arunachal Pradesh Goods and Services Tax Act, 2017.

Clause 18 of the Bill seeks to amend sub-section (1) and sub-section (5) of section 117 of the Arunachal Pradesh Goods and Services Tax Act, 2017.

Clause 19 of the Bill seeks to amend sub-section (1) of section 118 of the Arunachal Pradesh Goods and Services Tax Act, 2017.

Clause 20 of the Bill seeks to amend section 119 of the Arunachal Pradesh Goods and Services Tax Act, 2017.

Clause 21 of the Bill seeks to insert a new sub-section (1B) in section 122 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as provide for penal provisions applicable to electronic commerce operators in case of contravention of provisions relating to supplies of goods or services made through them by unregistered persons or composition taxpayers.

Clause 22 of the Bill seeks to amend sub-section (1) of section 132 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to decriminalise offences specified in clauses (g), (j) and (k) of the said sub-section and to increase the monetary threshold from one hundred lakh rupees to two hundred lakh rupees for launching prosecution for the offences under the said Act, except for the offences related to issuance of invoices without supply of goods or services or both.

Clause 23 of the Bill seeks to amend first proviso to sub-section (1) of section 138 of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the said Act.

It further seeks to amend sub-section (2) so as to rationalise the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding.

Clause 24 of the Bill seeks to insert a new section 158A in the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to provide for the manner and conditions for sharing of the information furnished by the registered person in his application for registration or in his return filed or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-way bill or any other details, as may be provided by rules, on the common portal with such other systems, as may be notified.

Clause 25 of the Bill seeks to amend paragraph 6 of Schedule III of the Arunachal Pradesh Goods and Services Tax Act, 2017 so as to substitute the words "specified actionable claims" for the words "lottery, betting and gambling".

Clause 26 of the Bill seeks to insert transitory provision so that the amendments made under this Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casino, gambling, horse racing, lottery or online gaming.

Hence, the Bill aims to achieve the above objectives.

Dated Itanagar,
the August, 2023.

(Chowna Mein)
Minister (Tax, Excise & Narcotics),
Arunachal Pradesh

FINANCIAL MEMORANDUM

The proposed Legislation does not have any financial implication.

Dated Itanagar,
the August, 2023.

(Chowna Mein)
Minister (Tax, Excise & Narcotics),
Arunachal Pradesh

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