

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 10th October 2023 is published together with Statement of Objects and Reasons for general information:—

L.A Bill No. 29 of 2023

A Bill further to amend the Tamil Nadu Goods and Services Tax Act, 2017.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-fourth Year of the Republic of India as follows:—

1. (1) This Act may be called the Tamil Nadu Goods and Services Tax (Second Amendment) Act, 2023. Short title and commencement.

(2) Save as otherwise provided in this Act,—

(i) sections 2 to 24 (except sections 14 to 19) shall be deemed to have come into force on the 1st day of October 2023;

(ii) sections 14 to 19 shall be deemed to have come into force on the 1st day of August 2023.

Tamil Nadu Act
19 of 2017.

2. In section 10 of the Tamil Nadu Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act),— Amendment of section 10.

(1) in sub-section (2), in clause (d), the expression “goods or” shall be omitted;

(2) in sub-section (2A), in clause (c), the expression “goods or” shall be omitted.

3. In section 16 of the principal Act, in sub-section (2),—

(1) in the second proviso, for the expression “added to his output tax liability, along with interest thereon”, the expression “paid by him along with interest payable under section 50” shall be substituted;

(2) in the third proviso, after the expression “made by him”, the expression “to the supplier” shall be inserted. Amendment of section 16.

4. In section 17 of the principal Act,—

(1) in sub-section (3), in the Explanation, for the expression “except those specified in paragraph 5 of the said Schedule”, the following shall be substituted, namely:—

“except,—

(a) the value of activities or transactions specified in paragraph 5 of the said Schedule; and

(b) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule.”;

(2) in sub-section (5), after clause (f), the following clause shall be inserted, namely:— Amendment of section 17.

“(ff) 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;”.

Central Act 18 of 2013.

Amendment of section 23.

5. In section 23 of the principal Act, for 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 recommendation 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.”.

Amendment of section 30.

6. In section 30 of the principal Act, in sub-section (1),—

(1) for the expression “the prescribed manner within thirty days from the date of service of the cancellation order:”, the expression “such manner, within such time and subject to such conditions and restrictions, as may be prescribed.” shall be substituted;

(2) the proviso shall be omitted.

Amendment of section 37.

7. In section 37 of the principal Act, after sub-section (4), the following sub-section shall be added, 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 recommendation 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.”.

Amendment of section 39.

8. In section 39 of the principal Act, after sub-section (10), the following sub-section shall be added, 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 recommendation 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.”.

Amendment of section 44.

9. Section 44 of the principal Act shall be renumbered as sub-section (1) thereof, and after sub-section (1) as so renumbered, the following sub-section shall be added, 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 recommendation 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.”.

10. In section 52 of the principal Act, after sub-section (14), the following sub-section shall be inserted, namely:— Amendment of section 52.

“(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 recommendation 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.”.

11. In section 54 of the principal Act, in sub-section (6), the expression “excluding the amount of input tax credit provisionally accepted,” shall be omitted. Amendment of section 54.

12. In section 56 of the principal Act, for the expression “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 expression “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 56.

13. In section 62 of the principal Act,— Amendment of section 62.

(1) in sub-section (2), for the expression “thirty days”, the expression “sixty days” shall be substituted;

(2) to sub-section (2) as so amended, the following proviso shall be added, 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.”.

14. For section 109 of the principal Act, the following section shall be substituted, namely:— Substitution of section 109.

“**109. Appellate Tribunal.**— 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.

- Omission of section 110. 15. Section 110 of the principal Act shall be omitted.
- Omission of section 114. 16. Section 114 of the principal Act shall be omitted.
- Amendment of section 117. 17. In section 117 of the principal Act,—
- (1) in sub-section (1), for the expression “State Bench or Area Benches”, the expression “State Benches” shall be substituted;
- (2) in sub-section (5), for the expression “State Bench or Area Benches” occurring in two places, the expression “State Benches” shall be substituted.
- Amendment of section 118. 18. In section 118 of the principal Act, in sub-section (1), in clause (a), for the expression “National Bench or Regional Benches”, the expression “Principal Bench” shall be substituted.
- Amendment of section 119. 19. In section 119 of the principal Act,—
- (1) for the expression “National or Regional Benches”, the expression “Principal Bench” shall be substituted;
- (2) for the expression “State Bench or Area Benches”, the expression “State Benches” shall be substituted.
- Amendment of section 122. 20. In section 122 of the principal Act, 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 132. 21. In section 132 of the principal Act, in sub-section (1),—
- (1) clauses (g), (j) and (k) shall be omitted;
- (2) in clause (l),—
- (a) for the expression “clauses (a) to (k)”, the expression “clauses (a) to (f) and clauses (h) and (i)” shall be substituted;
- (b) in sub-clause (iii), for the expression “any other offence”, the expression “an offence specified in clause (b)” shall be substituted;
- (c) in sub-clause (iv), the expression “or clause (g) or clause (j)” shall be omitted.

22. In section 138 of the principal Act,—

Amendment of
section 138.

(1) 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;

(2) in sub-section (2), for the expression “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 expression “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.

23. After section 158 of the principal Act, the following section shall be inserted, namely:—

Insertion of
new section
158A.

“158-A. Consent based sharing of information furnished by taxable person.— (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 recommendation 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 (c) 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.”.

Retrospective exemption to certain activities and transactions in Schedule III.

24. (1) In Schedule III to the principal Act, paragraphs 7 and 8 and Explanation 2 thereof shall be deemed to have been inserted therein with effect from the 1st day of July 2017.

(2) No refund shall be made of all the tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

STATEMENT OF OBJECTS AND REASONS.

The Tamil Nadu Goods and Services Tax Act, 2017 (Tamil Nadu Act 19 of 2017) was enacted with a view to make a provision for levy and collection of tax on *intra-State* supply of goods or services or both by the State Government.

2. The Goods and Services Tax Council, in its 47th, 48th and 49th Meetings held on 28th and 29th June, 2022, 17th December, 2022, and 18th February, 2023, respectively, has recommended various amendments to the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017). To give effect to the said recommendations, the Central Government amended the said Central Act by the Finance Act, 2023 (Central Act 8 of 2023). Corresponding amendments are, therefore, required to be made to the Tamil Nadu Goods and Services Tax Act, 2017 (Tamil Nadu Act 19 of 2017). The Government have, therefore, decided to amend the said Tamil Nadu Act 19 of 2017 suitably.

3. The Bill seeks to give effect to the above decision.

P. MOORTHY,

Minister for Commercial Taxes and Registration.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clauses 4, 5, 6, 7, 8, 9, 10, 12 and 23 of the Bill authorise the Government to issue notifications or to make rules, as the case may be, for the purposes specified therein.

2. The powers delegated are normal and not of an exceptional character.

P. MOORTHY,

Minister for Commercial Taxes and Registration.

Secretariat,
Chennai-600 009,
10th October 2023.

K. SRINIVASAN,
Secretary.