



## The Arunachal Pradesh Entry Tax Act, 2010

Act 5 of 2010

**Keyword(s):**

**Assessing Authority, Entry of Goods into a Local Area, Entry Tax, Fund, Importer, Import Value, Local Area, Motor Vehicle, Specified Goods**

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GOVERNMENT OF ARUNACHAL PRADESH  
LAW AND JUDICIAL DEPARTMENT  
ARUNACHAL PRADESH CIVIL SECRETARIAT  
ITANAGAR

NOTIFICATION

The 3<sup>rd</sup> May, 2010

**No. LAW/LEGN-14/2010-** The following Act of the Arunachal Pradesh Legislative Assembly which received the assent of the Governor of Arunachal Pradesh is hereby published for general information.

(Received the assent of the Governor on 20-04-2010)

**THE ARUNACHAL PRADESH ENTRY TAX ACT, 2010**

(ACT NO.5 OF 2010)

AN

ACT

*to levy a tax on the entry of goods into any local area in the State of Arunachal Pradesh for consumption, use or sale therein for the purpose of providing the infrastructure and amenities to facilitate trade and commerce within the State of Arunachal Pradesh.*

Whereas it is expedient to provide for the imposition of tax on the entry of goods into any local area in Arunachal Pradesh for consumption, use for sale therein for the purpose of providing the infrastructure and amenities to facilitate trade and commerce within the State of Arunachal Pradesh and for matters connected therewith or incidental thereto;

Preamble

BE it enacted by the Legislative Assembly of Arunachal Pradesh in the Sixty-first Year of the Republic of India as follows:-

1. (1) This Act may be called the Arunachal Pradesh Entry Tax Act, 2010.

Short title,  
extent and  
commencement

- (2) It extends to the whole of the State of Arunachal Pradesh.
- (3) It shall be deemed to have come into force on and from the first day of April, 2005.

2. (1) In this Act, unless the context otherwise requires,-

Definitions

- (a) **“Assessing Authority”** in relation to any importer means the authority competent to assess such importer;
- (b) **“Entry of goods into a local area”** with all its grammatical variations and cognate expressions, means, entry of goods into a local area from any place outside that local area including a place outside the State for consumption, use or sale therein;
- (c) **“Entry Tax”** means a tax on the entry of goods into a local area for consumption, use or sale therein, levied and payable in accordance with the provisions of this Act;
- (d) **“Fund”** means the Arunachal Pradesh Trade Development Fund;
- (e) **“Importer”** means a dealer or any other person, who in any capacity, whether on his own account or on account of a principal or any other person, effects or causes to be effected the entry of goods as specified in the Schedule into a local area or takes delivery or is entitled to take delivery of goods on its entry into a local area for consumption, use or sale therein and includes,-
- (i) every person who carries on the business of transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract,
- (ii) every person who carries on business of transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.

**Explanation:** In case of any goods specified in the Schedule, which is transported through pipelines into a local area, the ultimate recipient of the goods in the local area shall be deemed to be the importer;

- (f) **“Import value”** means the value of goods specified in the Schedule as ascertained from the original invoice and includes the charges paid or payable for insurance, excise duty, freight charges and all other charges incidentally levied on the purchase of such goods:

Provided that where the import value is not ascertainable on account of non-production or non-availability of original invoice, or where invoice produced is proved to be false, or if such goods have been procured or obtained otherwise than by way of purchase, the import value shall be determined on the basis of fair market value of such goods:

Provided further that in the case of Specified Goods both old and new which are being imported into local area for use therein for a specified period and are taken back after completion of use, the “**import value**” shall be-

Period of use of the Specified Goods in years X Value of the Specified Goods  
Life of the Specified Goods in years.

**Explanation:** Where the Specified Goods is new, the value of the Specified Goods shall be “**import value**” as defined above. In case of old Specified Goods, the value shall be determined as per depreciated value.

- (g) “**Local area**” means any area of the State within the limits of any local authority including any area-
- (i) Panchayats at district, intermediary and village level constituted under the *Arunachal Pradesh Panchayati Raj Act, 1997*.
  - (ii) Any local authority like Municipality, District Urban Development Authority, etc. constituted under an Act or Order of the State Government;
- (h) “**Motor vehicle**” means a motor vehicle as defined in clause (28) of section 2 of the Motor Vehicles Act, 1988 including motor cars, motor taxi cabs, motor cycles, motor cycle combinations, motor scooters, motorette, motor omnibuses, motor vans, motor lorries and chassis of motor vehicles and bodies or tankers built or meant for mounting on chassis of motor vehicles, tractors, bulldozers, excavators, cranes, dumpers, three wheelers, road rollers and earth movers;
- (i) “**Prescribed**” means prescribed by rules made under this Act;
- (j) “**Schedule**” means Schedule under the Arunachal Pradesh Goods Tax Act, 2005;
- (k) “**Section**” means a section of this Act;
- (l) “**Specified Goods**” means goods specified in the Schedule;
- (m) “**State Government**” means the Government of Arunachal Pradesh.
- (2) All expressions used but not defined in this Act and defined in the Arunachal Pradesh Goods Tax Act, 2005 shall have the same meanings respectively assigned to them in that Act.

Levy of Tax

3. (1) Subject to the other provisions of this Act, there shall be levied and collected an entry tax on the entry of specified goods into any local area for consumption, use of sale therein, at the rates respectively specified against each item in the Schedule. The entry tax shall be leviable on the import value of the specified goods and shall be paid by every importer of such goods:

Provided that no entry tax shall be levied under this section on the entry of specified goods into a local area, if it is proved to the satisfaction of the assessing

authority, in such manner as may be prescribed, that such goods have already been subjected to entry tax or that the entry tax has been paid by the importer or any other person under this Act in respect of the same goods.

Provided further that in case of Specified Goods both old and new which are being imported into a local area for use therein for a specified period and are taken back after completion of use, entry tax shall be payable for the period of use, on the value of Specified Goods, which will be proportional to the period of use, value and life of the Specified Goods as provided in clause (f) of sub-section (1) of section 2.

- (2) Where an importer of specified goods liable to pay tax under this Act, being a dealer in the specified goods, becomes liable to pay tax under the Arunachal Pradesh Goods Tax Act, 2005 by virtue of the sale of such specified goods, then his liability under the Arunachal Pradesh Goods tax Act, 2005 shall be reduced to the extent of tax paid under this Act.
  - (3) The State Government may, by notification in the Official Gazette, in the public interest or taking into account the infrastructure and amenities provided or to be provided to facilitate trade and commerce, vary the rates of tax of the specified goods and on such notification being issued, the Schedule shall be deemed to have been amended accordingly:
4. (1) Notwithstanding anything contained in section 3, there shall be levied and collected a tax on the entry of any motor vehicle into a local area for use or sale therein by an importer which is liable for registration or assignment of a new registration mark in the State under the Motor Vehicles Act, 1988 excluding light motor vehicle including three and two wheelers for personal use.
- (2) The tax shall be payable and paid by an importer within thirty days from the date of the entry of a motor vehicle into the local area or before an application is made for registration of the vehicle under the Motor Vehicles Act, 1988, whichever is earlier.
- (3) No tax shall be levied and collected in respect of a motor vehicle which is registered in any Union Territory or any other State under the Motor Vehicles Act, 1988, fifteen months prior to the date on which a new registration mark is assigned in the State under the said Act.
- (4) Where any person causes entry of a motor vehicle into a local area within a period of fifteen months from the date of registration of such vehicle in any Union Territory or any other State under the Motor Vehicles Act, 1988, and that such entry is occasioned as a result of shifting of the place of his residence from such Union Territory or State into this State, the Commissioner may exempt such person from payment of entry tax on entry of such motor vehicle subject to production of proof in this regard.
- (5) Notwithstanding anything contained in any other law for the time being in force, where the liability to pay tax in respect of a motor vehicle arises under this Act and such motor vehicle is required to be registered or a new registration mark is required to be assigned to it in the State under the motor Vehicles Act, 1988, no

Levy of Tax  
on motor  
vehicle

Registering Authority shall either register any such motor vehicle or assign any new registration mark to such motor vehicle unless payment of such tax has been made by the person concerned in respect of such vehicle.

5. Notwithstanding anything contained in this Act, the State Government may, by notification published in the Official Gazette and subject to such conditions and restrictions, if any, as may be specified therein, permit any class of importer to pay in lieu of the tax payable under this Act, for any period, an amount linked with the volume or quantity of specified goods or some such other thing to be determined by the State Government by way of composition and to be paid at such intervals and in such manner, as may be specified in such notification.

Composition of tax liability.

6. (1) Notwithstanding anything contained in section 3, the Commissioner may subject to such conditions and restrictions as it may impose, exempt, any Government department, fully or partially from payment of entry tax on any specified goods, if such specified goods are provided free of cost by the Government of India or its Agency, thereof under any scheme for public utility.

Exemption from tax

- (2) The State Government may, by notification in the Official Gazette, grant exemption to any organization or undertaking of the Central Government or of the State Government, retrospectively or prospectively, in respect of such goods as may be specified in such notification, from payment of entry tax on entry of such goods into any local area for consumption or use therein provided that such goods are the exclusive property of such organization or undertaking.

- (3) The State Government, if considers it necessary in the public interest so to do, may by notification in the Official Gazette, subject to such conditions and restrictions as it may impose, exempt, any importer or class of importers, fully or partially from payment of entry tax on any specified goods and the State Government may also grant such exemption retrospectively:

Provided that the State Government may withdraw any such exemption at any time, as it may think fit and proper.

Principles governing entry tax

7. The entry tax payable by an importer shall be levied in accordance with the principles given in the explanation:-

**Explanation:** - entry tax shall not be payable unless the importer effects entry of the specified goods into a local area;

Authorities and Administration of tax

8. Subject to the provisions of the Act and the rules made there under, the administration of this Act shall vest in the authorities specified in or under the Arunachal Pradesh Goods tax Act, 2005 and accordingly, the said authorities, may exercise all or any of the powers conferred upon them by or under that Act.

Applicability of the provisions of the Arunachal Pradesh Goods Tax Act, 2005

9. Subject to the provisions of this Act and rules made there under, wherever the provisions of this Act are silent, the relevant sections of the Arunachal Pradesh Goods tax Act, 2005 and the rules made there under, orders, notifications issued there under shall mutatis mutandis apply to an importer in respect of entry tax levied and payable under this Act, as if those sections were mutandis incorporated in this Act and the

rules framed and orders and notification issued under those sections were mutatis mutandis issued under the relevant sections so incorporated under this Act.

Utilization of the proceeds of entry tax levy under the Act.

- 10.** (1) The proceeds of the entry tax minus cost of collection, shall be credited and appropriated to the Fund constituted under this section by notification in the Official Gazette and shall be utilized in the local area of collection on the basis of amount collected exclusively for the development of infrastructures or amenities to facilitate trade, commerce and intercourse and I shall include the following:-
- (a) construction, development and maintenance of roads and bridges for linking the market and commercial areas to their hinterlands as well as important public buildings,
  - (b) creation, development and maintenance of infrastructure for supply of electrical energy, water supply and sanitation and other infrastructure for furtherance of trade, commerce and intercourse,
  - (c) any other purpose connected with the development of trade and commerce or for facilities relating thereto which the State Government may specify by notification,
  - (d) providing finance, aids, grants and subsidies to local bodies and Government agencies for the purposes specified in clauses (a), (b) and (c).
- (2) The amount realized as entry tax shall not be used for the purposes other than those specified in sub-section (1).
- (3) The State Government shall transfer the proceeds of entry tax already collected under Arunachal Pradesh Goods Tax Act, 2005, after deducting there from, the sum utilized under clause (a) to (d) of sub-section (1) to the fund constituted under this Act and such amount on being transferred to the fund shall be utilized for the purposes specified in sub-section (1).
- (4) The tax under this Act shall be continued to be levied till such time as is required to improve the infrastructure or amenities to facilitate trade and commerce.

Constitution of Board and its functions

- 11.** (1) There shall be a Board consisting of a Chairperson and following ex-officio members:-

(a) Chief Secretary, Arunachal Pradesh	Chairperson
(b) Secretary/Commissioner (Finance), Arunachal Pradesh	Ex-Officio Member
(c) Secretary/Commissioner (Planning), Arunachal Pradesh	Ex-Officio Member
(d) Secretary/Commissioner (PWD), Arunachal Pradesh	Ex-Officio Member
(e) Secretary/Commissioner (UD), Arunachal Pradesh	Ex-Officio Member
(f) Secretary/Commissioner (RD), Arunachal Pradesh	Ex-Officio Member

Pradesh	
(g) Secretary/Commissioner (Tax & Excise), Arunachal Pradesh	Ex-Officio Member
(h) Excise & Taxation Commissioner, Arunachal Pradesh	Member-Secretary

(2) The Headquarter of the Board shall be at Itanagar.

(3) The Board shall perform the following functions:-

- (i) It shall ensure that the funds generated under this Act shall be utilized exclusively for facilitating trade, commerce and industry in the State.
- (ii) It shall identify the areas, which require immediate development or maintenance of infrastructure facilities out of proceeds of tax.
- (iii) It shall accordingly recommend allotment of proceeds of tax for the purposes specified in sub-section (1) of section 10.
- (iv) It shall ensure that the proceeds of tax collected under this Act are not much more than the amount actually required for development of local areas.

**12.** (1) The State Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act:

Power of  
Government to  
make rules

Provided that if the State Government is satisfied that circumstances exist which render it necessary for it to take immediate action, if any, it may make any rules without such previous publication:

Provided further that any rule under this Act may be made so as to have the retrospective effect.

- (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for,-
- (a) the manner and procedure of deposit of tax under appropriate Head of Accounts and the manner in which the proceeds of the tax shall be utilized;
  - (b) all matters expressly required or allowed by this Act to be prescribed;
  - (c) the fees to be paid in connection with the registration, memorandum of appeals, petition for revisions, certified copies of orders, petitions, other matters and any other matter ancillary or incidental thereto; and
  - (d) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the State Government, necessary for giving effect to the purposes of this Act.



(3) In making any rules under this section, the State Government may direct that a breach thereof shall be punishable with fine not exceeding five thousand rupees and, when the offence is a continuing one, with a daily fine not exceeding one hundred rupees during the continuance of such offence.

(4) Every rule made by the Government of Arunachal Pradesh under this Act shall be laid before the Legislative Assembly of Arunachal Pradesh while it is in session for a total period of ten days which may be comprised in one session or in two or more successive sessions and if before expiry of the session in which it is so laid or the sessions immediately following the session or the successive sessions aforesaid, the Legislative Assembly makes any modification in the rule or resolves that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Validation

**13.** Notwithstanding anything contained in any judgment, decree or order of any Court or other authority to the contrary, entry tax levied or collected or purported to have been levied or collected under the Arunachal Pradesh Goods Tax Act, 2005, as amended from time to time, and all actions taken, things done, rules made, notifications issued or purported to have been taken, done, made or issued under the said Act shall, for all purposes, be deemed to be and to have under the provisions of this Act, as if this Act were in force at all material times and accordingly,-

(a) no suit or other proceedings shall be maintained or continued in, or before any court, tribunal or other authority for the refund of any amount received or realized by way of such tax;

(b) no court, tribunal or other authority shall enforce any decree or order directing the refund of any amount received or realized by way of such tax;

(c) any proceeding, act or thing which could have been validly taken, continued or done for the levy or collection of such tax at any time under the provisions of the said Act but which had not been taken, continued or done, may be taken, continued or done.

Repeal and  
Saving

**14.** (1) The provision of entry Tax under section 3(1) (b) and 3 (2) (b) of the Arunachal Pradesh Goods Tax Act, 2005 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Act so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act, as if this Act were in force at all material times, and, anything done or any action taken under this Act shall be deemed to have been done or taken under the corresponding provisions of this Act, as if this Act were in force at all material times.

**C.P. Mansai,  
Secretary to the  
Government of Arunachal Pradesh  
Itanagar**