

THE GOA VALUE ADDED TAX (AMENDMENT) BILL, 2026

(Bill No. 5 of 2026)

A

BILL

further to amend the Goa Value Added Tax Act, 2005 (Goa Act 9 of 2005).

BE it enacted by the Legislative Assembly of Goa in the Seventy-sixth Year of the Republic of India as follows: -

1. Short title and commencement. – (1) This Act may be called the Goa Value Added Tax (Amendment) Act, 2026.

(2) It shall come into force on such date, as the Government may, by notification in the Official Gazette, appoint.

2. Substitution of section 7. – For section 7 of the Goa Value Added Tax Act, 2005 (Goa Act 9 of 2005) (hereinafter referred to as the “principal Act”), the following section shall be substituted, namely: -

“7. Composition of Tax -

(1) Subject to such conditions and in such circumstances as may be prescribed, if any registered dealer, of the class specified in Schedule E, whose total turnover in the previous year does not exceed the limit specified in the said Schedule and who is liable to pay tax under sub-section (1), (2)

and (3) of section 3, so elects, the Commissioner may accept towards composition of tax, in lieu of the net amount of tax payable by him under this Act, an amount at the rate shown against respective class of dealers in the said Schedule calculated on total turnover, either in full or in instalments, as may be prescribed.

Provided that any dealer of the class specified in Schedule 'E' is liable to pay tax under sub-section (2) and (3) of section 3, may, at any time during the year, by making self-declaration that his turnover of sales during the said year will not exceed the limit specified in the said Schedule 'E' apply for composition of tax under this section.

(2) In the event of transfer of business under any of the circumstances as provided under section 19, the total turnover for the purposes of sub-section (1) shall be the aggregate of the turnover of the transferor as well as the transferee during the year and the prescribed conditions, if any, shall be applicable with reference to such aggregate of the turnover.

(3) Any dealer eligible for composition of tax under sub-section (1) shall not:-

(a) be permitted to claim any input tax credit on purchases and on stock held on the appointed day or on the day from which he is held liable to pay tax under this Act or on the day on which his Registration Certificate is made valid, as the case may be;

(b) charge any tax under this Act in his sales bill or sales invoice in respect of sales made by him;

(c) issue tax invoice to any dealer who has purchased the goods from him.

(4) The option of composition availed of by a registered dealer under sub-section (1) shall continue to be in force till the time dealer voluntarily opt out of composition scheme by making an application in writing and submitting the same to the registration authority mentioning the date from which the dealer voluntarily opts out of composition. The date of opting out of composition scheme voluntarily shall be the date on or after submission of such written application.

(5) The option of composition availed of by a registered dealer under sub-section (1) shall be automatically invalid with effect from the date from which the dealer ceases to be eligible to continue under the composition scheme due to his aggregate turnover during the financial year exceeding the limit specified under sub-section (1) or for violating any other eligibility conditions to continue under composition scheme.

(6) In case of dealer opting for composition for more than one class of business from those specified in schedule E, the turnover limit as specified in schedule E for each of the class of business shall be separately applicable for each class of business and the dealer shall be liable to maintain separate clear and legible accounts in respect of turnover of each such class of business.

(7) For the purposes of this section, the total turnover of a dealer shall be the turnover as defined under clause (am) of section 2 of this Act and any turnover of goods under the ambit of the Goa Goods and Services Tax Act, 2017 (Goa Act No. 4 of 2017) shall not be taken into consideration while computing the total turnover.

(8) A registered dealer shall not be eligible to opt for composition under this section unless such dealer opts for composition for all types of businesses dealing with goods under this Act undertaken by him as one legal person in the State of Goa”.

3. Amendment of section 31B. – In section 31B of the principal Act,

(i) for sub-section (2), the following sub-section shall be substituted, namely: -

“(2) The application for the purposes of sub-section (1) shall be made on or before 30/06/2026 on a plain paper, setting out therein all the relevant facts and shall be accompanied by proof of payment of non-refundable processing fees of Rs. 10, 000/- (Ten thousand). Separate applications shall be made for each assessment year / assessment period. No application under this section shall be filed after 01/07/2026 or thereafter.” ;

(ii) after sub-section (4), the following sub-section shall be inserted, namely:-

“(5) Any person aggrieved by an order passed under this section may file an appeal before the Tribunal under section 36 of this Act and the procedure as laid down under section 36 shall mutatis mutandis apply to such Appeal”.

4. Amendment of section 33. – In section 33 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely: —

“(3) Notwithstanding anything to the contrary contained in this Act or any other law for the time being in force, any application seeking refund shall be filed within a period of two years from the close of the financial year to which the refund pertains and no refund application shall be entertained and no refund shall be sanctioned in pursuance of such application filed after expiry of said period of two years. This limitation bar of two years shall not apply to any refund determined in the order passed in respect of assessment / rectification / review / appeal or any other order passed in accordance with this Act within the limitation period for passing such order.

Statement of Objects and Reasons

With a view to give effect to the proposals contained in the Budget Speech for the financial year 2025-2026, it is considered expedient to make an amendment to the Goa Value Added Tax Act, 2005 (Goa Act 9 of 2005) (hereinafter referred to as the “said Act”) for simplifying the procedure of opting for composition for small dealers and to do away with the requirement of exercising composition option on yearly basis and also for suitably amending the Act for providing for a closing date for filing of new applications under section 31B and for filing refund applications under section 33 of the Act.

Clause 2 of the Bill seeks to substitute section 7 of the said Act to simplify provisions relating to composition so as to provide for exercising composition option only once instead of present provisions of filing it for each financial year. This is aimed at reducing compliance burden on small dealers and for promoting ease of doing business. With the proposed substitution of section 7, the composition option exercised once shall be valid till either dealer voluntarily opts out of composition by filing a written application or automatically ceases to be eligible to continue under composition due to exceeding the turnover limit or for otherwise being ineligible to continue under composition scheme.

Clause 3 of the Bill seeks to amend section 31B of the said Act by providing for 30/06/2026 as the last date for filing of any application under said section and by inserting a new sub-section providing for an appeal against any order passed under that section before the Tribunal constituted under section 36 of the Act.

Clause 4 of the Bill seeks to amend section 33 of the said Act by inserting a new sub-section for providing for a limitation period of two years for filing any refund application, except for any refund amount determined in the order

passed in respect of assessment / rectification / review / appeal or any other order passed in accordance with said Act within the limitation period for passing such order.

This Bill seeks to achieve the above objects.

Financial Memorandum

The proposed Goa Value Added Tax (Amendment) Bill, 2026 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the State. The proposed Bill seeks to simplify the procedural aspects relating to Composition dealers, fresh assessments and refunds.

Memorandum Regarding Delegated Legislation

The delegated legislation envisaged in this bill is of normal character.

Assembly Hall,
Porvorim, Goa.
12th January, 2026

Hon. Chief Minister / Finance Minister

Assembly Hall,
Porvorim, Goa.
12th January, 2026

Secretary to the Legislative Assembly of Goa

Governor's Recommendation under article 207 of the Constitution of India

In pursuance of article 207 of the Constitution of India, I, Pusapati Ashok Gajapathi Raju, the Governor of Goa hereby recommend to the Legislative Assembly of Goa, the introduction and consideration of the Goa Value Added Tax (Amendment) Bill, 2026.

RAJ BHAVAN

Date: 10 /01 /2026.

Pusapati Ashok Gajapathi Raju

Honourable Governor of Goa