



सत्यमेव जयते

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Separate paging is given to this part in order that it may be filed as a Separate Compilation.

## PART V

Bills introduced in the Gujarat Legislative Assembly

(To be translated into Gujarati and the translation to be published in the *Gujarat Government Gazette*. The date of publication to be reported.)

The following Bill is published with the consent of the Speaker given under the proviso to rule 127A of the Gujarat Legislative Assembly Rules :-

### THE GUJARAT VALUE ADDED TAX (AMENDMENT) BILL, 2011.

#### GUJARAT BILL NO. 26 OF 2011.

*further to amend the Gujarat Value Added Tax Act, 2003.*

#### A BILL

It is hereby enacted in the Sixty-second Year of the Republic of India as follows :-

1. (1) This Act may be called the Gujarat Value Added Tax (Amendment) Act, 2011. Short title and commencement.

(2) It shall come into force on the 1st April, 2011.

Guj. 1 of 2005.

2. In the Gujarat Value Added Tax Act, 2003 (hereinafter referred to as "the principal Act"), in Section 7, in sub-section (1 A), in the proviso, item (a), shall be deleted. Amendment of section 7 of Guj. 1 of 2005.

Amendment of  
section 9 of  
Guj. 1 of 2005.

3. In the principal Act, in section 9, in sub-section (6), in the proviso, item (a), shall be deleted. Guj. 1 of 2005.

Amendment of  
Schedule II of  
Guj. 1 of 2005.

4. In the Gujarat Value Added Tax Act, 2003, in Schedule II, in the entry at Seril No.76A in column 3, for the words "Seventeen and a half paise in the rupee", the words "Twenty-two and a half paise in the rupee" shall be substituted. Guj. 1 of 2005.

**STATEMENT OF OBJECTS AND REASONS**

Tobacco and its products are injurious to health. Prevention of its use and reduction in consumption of tobacco and its products is necessary in the interest of the society. Increase in the rate of tax on these products helps in restricting the use of these products to some extent. The Finance Minister in his Budget speech in the Legislative Assembly on the 25<sup>th</sup> February, 2011 has proposed to increase the rate of tax on tobacco and its products from the present rate of 20% inclusive of additional tax to 25%. It is, therefore, considered necessary to amend the Gujarat Value Added Tax Act, 2003 to increase the rate of tax on tobacco and its products from the present rate of 20% to 25% inclusive of additional tax.

Further, certain goods are declared as goods of special importance in inter-state trade or commerce under section 14 of the Central Sales Tax Act, 1956. In accordance with the provisions under section 15 of the said Act, the tax payable on sale or purchase of declared goods inside the State is not to exceed four percent.

In the Central Budget for the year 2011-12, it has been proposed by the Central Government to increase the existing tax limit for declared goods which empowers the State Government to levy the tax to the extent of five percent.

It is, therefore, considered necessary to amend the said Act to increase the rate of tax on declared goods which are liable to tax at the rate of four percent under the Gujarat Value Added Tax. The said object of increasing the rate of tax on declared goods can be achieved by deleting the existing provisions of item (a) to proviso to sub-section (1 A) of section 7, and item (a) to proviso to sub-section (6) of section 9 of the Gujarat Value Added Tax Act, 2003. By deletion of the said provisions, the tax at the increased rate can be levied as tax on such goods.

This Bill seeks to amend the said Act to achieve the aforesaid objects.

Gandhinagar,  
Dated the 18<sup>th</sup> March, 2011.

**VAJUBHAI VALA,**

By order and in the name of the Governor of Gujarat,

Gandhinagar,  
Dated the 18<sup>th</sup> March, 2010.

**C. J. GOTH,**  
Secretary to the Government of Gujarat,  
Legislative and Parliamentary  
Affairs Department.

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