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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, 2016.

GUJARAT BILL NO. 25 OF 2016.

A BILL

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

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

1. (1) This Act may be called the Gujarat Value Added Tax (Amendment) Act, 2016.

Short title and commencement.

(2) It shall come into force on the 1st April, 2016.

Amendment of
section 7 of Guj.1
of 2005.

2. In the Gujarat Value Added Tax Act, 2003 (hereinafter referred to as "the principal Act"), in section 7,-

Guj.1 of 2005.

- (1) in sub-section (1A), in clause (i), for the figures, letters and word "19A, 25, 46B, 48A, 49A, 49B, 51A, 76A and 87", the figures, letters and word "19A, 25, 46B, 48A, 49A, 49B, 49C, 51A, 55A, 76A, 80A and 87" shall be substituted;
- (2) for sub-section (2), the following sub-section shall be substituted, namely:-

"(2) The State Government may, by notification in the *Official Gazette*,-

- (i) reduce the rate of tax specified in Schedule II in respect of any entry (or part thereof) of the said Schedule II and may, by like notification, omit or amend any entry (or part thereof) of the said Schedule II but not so as to enhance the rate of tax in any case and thereupon Schedule II shall be deemed to have been amended accordingly;
- (ii) add to or omit from, or otherwise amend or modify Schedule III so as to levy tax on the basis of price, weight, volume, measurement or unit, or reduce or enhance the rate of tax payable in respect of any goods specified in Schedule III and thereupon Schedule III shall be deemed to have been amended accordingly."

3. In the principal Act, in section 9, in sub-section (6), in clause (i), for the figures, letters and word "19A, 25, 46B, 48A, 49A, 49B, 51A, 76A and 87", the figures, letters and word "19A, 25, 46B, 48A, 49A, 49B, 49C, 51A, 55A, 76A, 80A and 87" shall be substituted.

Amendment of section 9 of Guj.1 of 2005.

4. In the principal Act, in Schedule I, for the entry at serial No. 50, the following entry shall be substituted, namely:-

Amendment of Schedule I to Guj. 1 of 2005.

Sr. No.	Description of goods.	Conditions and exceptions subject to which exemption is granted.
	2	3
"50	Salt other than salt specified under entry 42A of Schedule II.	The purchaser shall give a declaration that the salt purchased by him covered under this entry
		under entry 42A of Schedule II."

5. In the principal Act, in Schedule II, -

(1) after the entry at serial No.49B, the following entry shall be inserted, namely:-

Amendment of Schedule II to Guj. 1 of 2005.

Sr. No.	Description of goods.	Rate of tax.
- 1	2	3
"49C	Luxury cars, luxury SUVs and luxury two wheelers.	Seventeen and a half paise in the rupee.";

	Explanation.- For the purpose of this entry, "luxury car or luxury SUV" means a car or a SUV with price more than rupees fifteen lakhs and luxury two wheeler means a two wheeler with price more than rupees two and a half lakhs.	
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(2) after the entry at serial No.55, the following entry shall be inserted, namely:-

Sr. No.	Description of goods.	Rate of tax.
1	2	3
"55A	<i>Pan masala.</i>	Twenty-two and a half paise in the rupee.";

(3) after the entry at serial No.80, the following entry shall be inserted, namely:-

Sr. No.	Description of goods.	Rate of tax.
1	2	3
"80A	Motor vehicles (except school buses, college buses, passenger buses and goods carrier trucks) sold to companies, firms, HUFs, Societies, institutes, associations of persons or bodies of individuals whether incorporated or not, clubs, trusts, Government departments, Government undertakings Boards-Corporations, local self-Government bodies and artificial juridical person.	Seventeen and a half paise in the rupee.".

STATEMENT OF OBJECTS AND REASONS

The Finance Minister, while presenting the Budget in the Legislative Assembly for the year 2016-17, had proposed to increase the rate of value added tax on the purchase of motor vehicles by companies, firms, trusts, Government departments, etc., excluding the individuals. He had also proposed to increase the rate of tax on purchase of luxury cars/SUVs and luxury two wheelers as also on *pan masala* and industrial salt. In order to giving effect to the said proposals, the relevant provisions of the Gujarat Value Added Tax Act, 2003 are proposed to be amended.

An opportunity is also taken to amend the existing provisions of sub-section (2) of section 7 of the said Act. Clause 2 of the Bill *inter alia* provides that the State Government may by notification in the *Official Gazette*, may reduce the rate of tax specified in Schedule II in respect of any entry of the said Schedule but not so as to enhance the rate of tax. The

basis of price, weight, volume, measurement or unit or reduce or enhance the rate of tax payable in respect of any goods specified in Schedule III.

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

SAURABH PATEL,

MEMORANDUM REGARDING DELEGATED LEGISLATION

This Bill involves delegation of legislative powers in the following respect:-

Clause 2.- Sub-section (2) of section 7 of the Act proposed to be substituted by this clause empowers the State Government, by notification in the *Official Gazette*,-

(i) to reduce the rate of tax in respect of any entry of Schedule II but not so as to enhance the rate of tax;

(ii) add to or omit from Schedule III any entry or to amend or modify Schedule III to levy tax on the basis of price, weight, volume, measurement or unit or reduce or enhance the rate of tax payable in respect of any goods specified in Schedule III.

The delegation of legislative powers as aforesaid is necessary and is of normal character.

Dated the 19th March, 2016.

SAURABH PATEL.

By order and in the name of Governor of Gujarat,

Gandhinagar,
Dated the 19th March, 2016.

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