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**GOVERNMENT OF MANIPUR  
SECRETARIAT: LAW & LEGISLATIVE AFFAIRS DEPARTMENT**

**NOTIFICATION**

Imphal, February 28, 2023

No. 2/6/2023-Leg/L: In pursuance of rule 150 of the Rules of Procedure and Conduct of Business in Manipur Legislative Assembly, the following Bills as introduced in the Manipur Legislative Assembly, in its sitting held on February 25, 2023 are hereby published in the Manipur Gazette Extraordinary:

1. The Manipur Value Added Tax (Third Amendment) Bill, 2023 (Bill No. 5 of 2023).

**NUNGSBITOMBI ATHOKPAM,**  
Commissioner (Law),  
Government of Manipur.

**THE MANIPUR VALUE ADDED TAX  
(THIRD AMENDMENT) BILL, 2023**

**A  
Bill**

*further to amend the Manipur Value Added Tax Act, 2004  
(Manipur Act No. 6 of 2005).*

BE it enacted by the Legislature of the State of Manipur in the Seventy-fourth Year of the Republic of India as follows: —

Short title and commencement.

1. (1) This Act may be called the Manipur Value Added Tax (Third Amendment) Act, 2023.

(2) It shall come into force from the date of its publication in the official Gazette of Manipur.

2. The word “Amendment” in the short title of the Manipur Value Added Tax (Amendment) Act, 2022 shall be read as “Second Amendment”

Amendment of section 9.

3. In section 9 of the Manipur Value Added Tax Act, 2004

(a) in sub-section (3), before the words “Diesel Oil” for the word “and” the figure (comma) “,” shall be substituted and after the words “Diesel Oil”, the words “and alcoholic liquor for human consumption” shall be inserted.

(b) after sub-section (3), the following para and Explanation shall be inserted, namely: —

“Notwithstanding anything contained in this Act, in case of Oil Marketing Company having no retail depot in the State and are sourced from outside the State to various retailers in the State, the retailer registered under this Act shall deposit the tax payable for the indenting of Motor Spirit (including aviation turbine fuel, aviation spirit and aviation gasoline) and Diesel Oil at the rate as prescribed in Schedule-I of this Act, into the Government Account in the prescribed manner by a separate challan and hand over one copy of the deposited challan to the Oil Marketing Company before the oil is loaded or lifted in the oil tanker vehicle or carrier. In case, Oil Marketing Company if found loaded the oil without receiving the said challan from the retailer, the Company shall be treated as committed offences under section 81 of this Act.

***Explanation*** — (i) In case of potable liquor mentioned, except country spirit, the licensee of the bonded warehouse who sells these items to a wholesale licence holder or to a retailer holding 'on' or 'off' licence, shall be deemed to be the first point seller, irrespective of whether he imports such items from outside the State or he purchases such items from a manufacturer or a bottling unit or another bonded warehouse within the State. The retail license holder while depositing the excise duty shall also deposit the tax payable under this Act into the Government Account in the prescribed manner by a separate challan and hand over one copy of the challan to the bonded warehouse;

(ii) in case of country spirit, the person in-charge of the country spirit warehouse who sells or supplies such items to a licensed retail vendor shall be deemed to be the first point seller who shall be liable to pay tax on the sale price of the item as defined in clause (xxvi) of section 2 including excise duty and any other duty or fee, by whatever name called, payable thereon. The retail vendor while depositing the cost price and excise duty shall also deposit the tax payable under this Act into the Government Account in the prescribed manner by a separate challan and handover one copy of the deposited challan to the person-in-charge of such warehouse.”.

(c) after sub-section (3) so amended, the following sub-section (4) shall be inserted, namely: —

“(4) Notwithstanding anything contained in this Act, the retail ‘on’ license holder for potable liquor, except country spirit, shall pay output tax on sale made by him at the applicable rate specified therein and he shall be eligible for set-off of the amount of tax paid by him at the time of purchase of such potable liquor from bonded warehouse.”.

**STATEMENT OF OBJECTS AND REASONS**

The object of the Bill is to give effect to the amendments proposed in the Manipur Value Added Tax Act, 2004 (Manipur Act No. 6 of 2005) of the State Government. The notes on clauses explain the provision contained in the Bill.

**N. BIREN SINGH**  
Chief Minister (i/c Finance)  
Manipur

Imphal  
*The February, 2023*

**FINANCIAL MEMORANDUM**

The proposed Manipur State Value Added Tax (Third Amendment) Bill, 2023 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the State.

## **MEMORANDUM REGARDING DELEGATED LEGISLATION**

Clause 2 seeks to amend section 9 of the Manipur Value Added Tax Act, 2004 (hereinafter referred to as "Manipur VAT Act") to substitute the word "and" after the words "Diesel Oil" with the figure (comma) "," and to insert the words "and alcoholic liquor for human consumption" after the words "Diesel Oil".

The Bill also seeks to amend sub-section (3) of section 9 of the Manipur VAT Act by inserting a new Para so as to provide the Oil Marketing Company having no retail depot in the state and are sourced from outside the state to various retailers in the state, the shall deposit the tax payable for the indenting of Motor Spirit (including aviation turbine fuel, aviation spirit and aviation gasoline) and Diesel Oil at the rate as prescribed in the Schedule-I of this Act, into the Government Account in the prescribed manner by a separate challan and hand over one copy of the deposited challan to the Oil Marketing Company before the oil is loaded/lifted in the oil tanker vehicle/carrier.

The Bill also seeks to amend sub-section (3) of section 9 of the Manipur VAT Act by inserting Explanation so as to provide bonded warehouse to be the first point sale irrespective of whether he imports potable liquor from outside the State or he purchases such items from a manufacturer or a bottling unit or another bonded warehouse within the State. The retail license holder while depositing the excise duty shall also deposit the tax payable under this Act into the Government Account in the prescribed manner by a separate challan and hand over one copy of the challan to the bonded warehouse. In case of country spirit, the person in-charge of the country spirit warehouse who sells or supplies such items to a licensed retail vendor shall be deemed to be the first point seller who shall be liable to pay tax on the sale price of the item including excise duty and any other duty or fee, by whatever name called, payable thereon. The retail vendor while depositing the cost price and excise duty shall also deposit the tax payable under this Act into the Government Account in the prescribed manner by a separate challan and handover one copy of the deposited challan to the person-in-charge of such warehouse.

The Bill also seeks to amend section 9 of the Manipur VAT Act by inserting a sub-section (4) so as to provide for the retail 'on' license holder for potable liquor, except country spirit, shall pay output tax on sale made by him at the applicable rate specified therein and he shall be eligible for set-off of the amount of tax paid by him at the time of purchase of such potable liquor from bonded warehouse.

2. The matters in respect of which rules or regulations may be made or notifications or order may be issued in accordance with the provisions of the Bill are matters of procedure and detail and it is not practicable to provide for them in the Bill itself.
3. The delegation of legislative power is, therefore, of a normal character.



## NOTES ON CLAUSES

The Manipur Value Added Tax (Third Amendment) Bill, 2023, *inter alia*, provides the following, namely: –

Clause 2 seeks to amend section 9 of the Manipur Value Added Tax Act, 2004 (hereinafter referred to as “Manipur VAT Act”) to substitute the word “and” after the words “Diesel Oil” with the figure (comma) “,” and to insert the words “and alcoholic liquor for human consumption” after the words “Diesel Oil”.

The Bill also seeks to amend sub-section (3) of section 9 of the Manipur VAT Act by inserting a new Para so as to provide the Oil Marketing Company having no retail depot in the state and are sourced from outside the state to various retailers in the state, the shall deposit the tax payable for the indenting of Motor Spirit (including aviation turbine fuel, aviation spirit and aviation gasoline) and Diesel Oil at the rate as prescribed in the Schedule-I of this Act, into the Government Account in the prescribed manner by a separate challan and hand over one copy of the deposited challan to the Oil Marketing Company before the oil is loaded/lifted in the oil tanker vehicle/carrier.

The Bill also seeks to amend sub-section (3) of section 9 of the Manipur VAT Act by inserting Explanation so as to provide bonded warehouse to be the first point sale irrespective of whether he imports potable liquor from outside the State or he purchases such items from a manufacturer or a bottling unit or another bonded warehouse within the State. The retail license holder while depositing the excise duty shall also deposit the tax payable under this Act into the Government Account in the prescribed manner by a separate challan and hand over one copy of the challan to the bonded warehouse. In case of country spirit, the person in-charge of the country spirit warehouse who sells or supplies such items to a licensed retail vendor shall be deemed to be the first point seller who shall be liable to pay tax on the sale price of the item including excise duty and any other duty or fee, by whatever name called, payable thereon. The retail vendor while depositing the cost price and excise duty shall also deposit the tax payable under this Act into the Government Account in the prescribed manner by a separate challan and handover one copy of the deposited challan to the person-in-charge of such warehouse.

The Bill also seeks to amend section 9 of the Manipur VAT Act by inserting a sub-section (4) so as to provide for the retail ‘on’ license holder for potable liquor, except country spirit, shall pay output tax on sale made by him at the applicable rate specified therein and he shall be eligible for set-off of the amount of tax paid by him at the time of purchase of such potable liquor from bonded warehouse.

The Bill seeks to achieve the above objectives.

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**EXTRACT OF THE RELEVANT SECTIONS OF THE MANIPUR VALUE ADDED  
TAX ACT, 2004**

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**Levy of tax on sale.—**

- (1) The tax payable by a dealer liable to pay tax under section 8 shall be levied on his taxable turnover of sales.
- (2) Taxable turnover of sales in relation to a dealer liable to pay tax on sales of goods under sub-section (1) of section 8 shall be part of the gross turnover of sales during any period which remains after deducting therefrom-
  - (a) sales of goods specified as exempt from tax in Schedule 'II'.
  - (b) sales of goods which are shown to the satisfaction of the Commissioner to have taken place-
    - (i) in the course of inter-State trade or commerce, or
    - (ii) outside Manipur,
    - (iii) in the course of the import of the goods into or export of the goods out of the territory of India.

**Explanation –**

Section 3, 4 and 5 of the Central Sales Tax Act, 1956 shall apply for determining whether or not a particular sale or purchase has taken place in the manner indicated in sub-clause (i), sub-clause (ii) or sub-clause (iii).

- (c) in case of turnover of sales in relation to work contract, the charges towards labour, services and other like charges and subject to such conditions as may be prescribed:

Provided that in the cases where the amount of charges towards labour, services and other like charges in such contract are not ascertainable from the terms and conditions of the contract, the amount of such charges shall be calculated at the prescribed percentage.

- (d) such other sales on such conditions and restrictions as may be prescribed.