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

NOTIFICATION

Imphal, August 14, 2024

No. 2/21/2024-Leg/L: In pursuance of rule 150 of the Rules of Procedure and Conduct of Business in Manipur Legislative Assembly, the following Bill as introduced in the Manipur Legislative Assembly, in its sitting held on August 09, 2024 is hereby published in the Manipur Gazette:

1. The Manipur Goods and Services Tax (Seventh Amendment) Bill, 2024
(Bill No.17 of 2024).

NUNGSHITOMBI ATHOKPAM,
Commissioner (Law),
Government of Manipur.

BILL NO. 17 OF 2024
(As introduced in the Manipur Legislative Assembly)

**THE MANIPUR GOODS AND SERVICES TAX
(SEVENTH AMENDMENT) BILL, 2024**

A

Bill

further to amend the Manipur Goods and Services Tax Act, 2017
(Manipur Act No. 3 of 2017).

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

1. (1) This Act may be called the Manipur Goods and Services Tax
(Seventh Amendment) Act, 2024.

Short title and
commencement.

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

3 of 2017

2. In section 2 of the Manipur Goods and Services Tax Act, 2017
(hereinafter referred to as the principal Act), for clause (61), the following
clause shall be substituted, namely: —

Amendment of
section 2.

‘(61) “Input Service Distributor” means an office of the supplier of goods
or services or both which receives tax invoices towards the receipt of input
services, including invoices in respect of services liable to tax under sub-
section (3) or sub-section (4) of section 9, for or on behalf of distinct
persons referred to in section 25, and liable to distribute the input tax credit
in respect of such invoices in the manner provided in section 20;’.

3. For section 20 of the principal Act, the following section shall be
substituted, namely: —

Substitution of
section 20.

“20. (1) Any office of the supplier of goods or services or both
which receives tax invoices towards the receipt of input services,
including invoices in respect of services liable to tax under sub-
section (3) or sub-section (4) of section 9, for or on behalf of distinct
persons referred to in section 25, shall be required to be registered as
Input Service Distributor under clause (viii) of section 24 and shall
distribute the input tax credit in respect of such invoices.

Manner of
distribution of
credit by Input
Service
Distributor.

(2) The Input Service Distributor shall distribute the credit of State tax or integrated tax charged on invoices received by him, including the credit of State or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) The credit of State tax shall be distributed as State tax or integrated tax and integrated tax as integrated tax or State tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.”.

Insertion of new section 122A

4. After section 122 of the principal Act, the following section shall be inserted, namely: —

Penalty for failure to register certain machines used in manufacture of goods as per special procedure.

“122A. (1) Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.

(2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where—

(a) the penalty so imposed is paid, and

(b) the registration of such machine is made in accordance with the special procedure within three days of the receipt of communication of the order of penalty.”.

STATEMENT OF OBJECTS AND REASONS

The object of the Bill is to bring amendment in section 2(61) and section 20 of the Manipur GST Act respectively for making Input Services Distributor (ISD) procedure mandatory prospectively for distribution of ITC in respect of common input services.

Section 13 of the Finance Act, 2024 provided for insertion of a new section 122A in Manipur GST Act, to provide for penalty provision for failure to register certain machines used in manufacture of goods (such as pan masala, tobacco, etc.) as per special procedure notified by the Government.

The Bill seeks to achieve the above objectives.

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

Imphal

The July, 2024

FINANCIAL MEMORANDUM

The 'Manipur Goods and Services Tax (Seventh Amendment) Bill, 2024' if enacted and brought into force, does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the State.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill seeks to amend the section 20 of the Manipur GST Act respectively for making Input Services Distributor (ISD) procedure mandatory prospectively for distribution of ITC in respect of common input services.

Clause 4 of the Bill seeks to amend Section 13 of the Finance Act, 2024 provided for insertion of a new section 122A in Manipur GST Act, to provide for penalty provision for failure to register certain machines used in manufacture of goods (such as pan masala, tobacco, etc.) as per special procedure notified by the Government.

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 Goods and Services Tax (Seventh Amendment) Bill, 2024, *inter alia*, provides the following, namely: –

Clause 1 of the Bill seeks to substitute clause (61) of section 2 of the Manipur Goods and Services Tax Act as “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or services sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20.

Clause 2 of the Bill further seeks to substitute section 20 of the Manipur GST Act respectively for making Input Services Distributor (ISD) procedure mandatory prospectively for distribution of ITC in respect of common input services.

Clause 3 of the Bill seeks to amend Section 13 of the Finance Act, 2024 provided for insertion of a new section 122A in Manipur GST Act, to provide for penalty provision for failure to register certain machines used in manufacture of goods (such as pan masala, tobacco, etc.) as per special procedure notified by the Government.

2. The Bill seeks to achieve the above objectives.

EXTRACT OF THE RELEVANT SECTIONS OF THE MANIPUR GOODS AND SERVICES TAX ACT, 2017 (3 of 2017)

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2. In this Act, unless the context otherwise requires, —

* * * * *

(61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office;

* * * * *

20. (1) The Input Service Distributor shall distribute the credit of State tax as State tax or integrated tax and integrated tax as integrated tax or State tax, by way of issue of document containing the amount of input tax credit being distributed in such manner as may be prescribed.

* * * * *

(2) The Input Service Distributor may distribute the credit subject to the following conditions, namely: —

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122 (1) Where a taxable person who—

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(i) supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;

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