

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 14th September, 2011 is published together with Statement of Objects and Reasons for general information:—

L.A. Bill No. 28 of 2011

A Bill further to amend the Tamil Nadu Value Added Tax Act, 2006.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Tamil Nadu Value Added Tax (Second Amendment) Act, 2011.

Short title and commencement.

(2) It shall come into force at once.

2. After section 48 of the Tamil Nadu Value Added Tax Act, 2006, the following section shall be inserted, namely:—

Insertion of new section 48-A.

“48-A. Clarification and Advance Ruling.—

(1) The Government may constitute a State Level Authority for Clarification and Advance Ruling, (hereinafter in this section, referred to as the Authority) comprising of the Commissioner of Commercial Taxes and two Additional Commissioners to clarify, any point concerning the rate of tax, on an application by a registered dealer:

Provided that no such application shall be entertained unless it is accompanied by proof of payment of such fee, paid in such manner, as may be prescribed.

(2) No application shall be entertained where the question raised in the application,—

(i) is already pending before any appellate or revising authority of the department or Appellate Tribunal or any Court; or

(ii) relates to an issue which is designed apparently for avoidance of tax:

Provided that no application shall be rejected under this sub-section without giving the applicant a reasonable opportunity of being heard and where the application is rejected, reasons for such rejection, shall be recorded in the order.

(3) The order of the authority shall be binding,—

(i) on the applicant who has sought for the clarification or advance ruling;

(ii) in respect of the goods in relation to which the clarification or advance ruling was sought; and

(iii) on all the officers working under the control of the Commissioner of Commercial Taxes.

(4) The Authority shall have power to review, amend or revoke its clarification or advance ruling at any time for good and sufficient cause after giving an opportunity of being heard to the affected parties.

(5) An order giving effect to such review or amendment or revocation shall not be subject to the period of limitation.

Tamil Nadu
Act
32 of 2006.

STATEMENT OF OBJECTS AND REASONS.

Under the erstwhile Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959), section 28-A empowered the Commissioner of Commercial Taxes to issue clarification to a registered dealer on any point concerning the rate of tax under that Act. No such provision is available in the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006). Considering the advantages of the concept of Advance Ruling, it is proposed to constitute a State Level Authority for Clarification and Advance Ruling, comprising the Commissioner of Commercial Taxes and two Additional Commissioners to clarify, any point concerning the rate of tax, on an application by a registered dealer. The Government have, therefore, decided to amend the said Tamil Nadu Act 32 of 2006 suitably for the purpose.

2. The Bill seeks to give effect to the above decision.

Agri S.S. KRISHNAMOORTHY,
*Minister for Commercial Taxes
and Registration.*

A.M.P. JAMALUDEEN,
Secretary.