

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. 30 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 (Fourth Amendment) Act, 2011.

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

Short title and commencement.

Tamil Nadu
Act 32 of
2006.

2. In section 3 of the Tamil Nadu Value Added Tax Act, 2006, in sub-section (4), in clause (b), for the expression "Such dealer is liable to pay tax under sub-section (2) on all his sales of rupees fifty lakhs and above", the expression "Such dealer may pay a tax for each year on his turnover relating to taxable goods upto rupees fifty lakhs at such rate not exceeding one per cent, as may be notified by the Government and is liable to pay tax under sub-section (2) on all his sales of taxable goods above rupees fifty lakhs" shall be substituted.

Amendment
of section 3.

STATEMENTS OF OBJECTS AND REASONS.

As per clause (b) of sub-section (4) of section 3 of the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006)/ if the turnover relating to taxable goods of a dealer who has exercised his option to pay tax under clause (a) of the said sub-section (4)/ in a year, reaches rupees fifty lakhs at any time during that year, such dealer is liable to pay tax under sub-section (2) of said section 3 on all his sales of rupees fifty lakhs and above. Due to this provision, while the dealer does not collect tax on turnover relating to taxable goods below rupees fifty lakhs, he is required to pay the tax.

2. While moving the demand for grant in respect of Commercial Taxes department for the year 2011-12, the Hon'ble Minister for Commercial Taxes and Registration has announced that amendment to sub-section (4) of section 3 of the said Act will be made to rectify the above situation, so that if the turnover relating to taxable goods of a dealer paying tax under clause (a), in a year, reaches rupees fifty lakhs at any time during that year, such dealer is liable to pay tax under sub-section (2) of that section on all his sales of taxable goods above rupees fifty lakhs.

3. The Government have decided to amend the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006) suitably for the purpose.

4. 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.