

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 3rd February, 2012 is published together with Statement of Objects and Reasons for general information:—

L.A. BILL No. 6 OF 2012

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-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Tamil Nadu Value Added Tax (Amendment) Act, 2012.	Short title and commencement.
(2) It shall come into force on the 1st day of April, 2012.	
2. For section 41 of the Tamil Nadu Value Added Tax Act, 2006, the following section shall be substituted, namely:—	Amendment of section 41.
<p>“41. Forfeiture of Tax Collected.—If any person or registered dealer collects any amount by way of tax or purporting to be by way of tax and his turnover for the year falls short of the taxable limit specified under this Act, the sum so collected shall be remitted to the Government and forfeited, after deducting the eligible input tax credit claim, if any, on the correspondig purchases.”.</p>	

Tamil Nadu
Act 32 of
2006.

STATEMENT OF OBJECTS AND REASONS.

If any person collects any amount by way of tax and his turnover for the year falls short of the taxable limit specified, the sum so collected shall be remitted to the Government and forfeited wholly as per Section 41 of the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006). Such persons cannot avail the benefit of input tax credit on their purchases.

2. The Government have, therefore, decided to amend the said section 41 of the said Act prospectively i.e. 1st April, 2012 to the effect that the amount collected as tax by any person or registered dealer will be forfeited to the Government after deducting the eligible input tax credit claim, if any, on the corresponding purchases if his turnover for the year falls short of the taxable limit specified under the said Act.

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

C.Ve. SHANMUGAM,

*Minister for Commercial Taxes and
Registration, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,

Secretary.