

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 May 2013 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 17 of 2013**

***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-fourth Year of the Republic of India as follows:-

<p><b>Tamil Nadu Act 32 of 2006.</b></p>	<p><b>1.</b> (1) This Act may be called the Tamil Nadu Value Added Tax (Third Amendment) Act, 2013.</p> <p>(2) It shall come into force at once.</p> <p><b>2.</b> In the First Schedule to the Tamil Nadu Value Added Tax Act, 2006 (hereinafter referred to as the principal Act),-</p> <p>(1) in PART-B, after Serial Number 56 and the entries relating thereto, the following Serial Number and entry shall be inserted, namely:-</p> <p style="padding-left: 20px;">“56-A. Gypsum of all forms and descriptions”;</p> <p>(2) in PART-C,-</p> <p style="padding-left: 20px;">(i) the entries against Serial Number 22 shall be numbered as (i);</p> <p style="padding-left: 20px;">(ii) after the entries as so numbered, the following entries shall be inserted, namely:-</p> <p style="padding-left: 40px;">“(ii) Disinfectants and Germicides.”.</p> <p><b>3.</b> In the Fourth Schedule to the principal Act, in PART-B,-</p> <p>(1) Serial Number 17-A and the entries relating thereto, shall be omitted;</p> <p>(2) after Serial Number 38 and the entries relating thereto, the following Serial Number and entries shall be inserted, namely:-</p> <p style="padding-left: 20px;">“38-A. Goods which are used for agricultural / horticultural purposes, namely:-</p> <p style="padding-left: 40px;">(a) Chemical Fertilizers</p> <p style="padding-left: 40px;">(b) Insecticides, Pesticides, Rodenticides, Weedicides, Fungicides, Herbicides and combinations thereof, Plant growth promoters, Plant Nutrients, Micro Nutrients and Bio fertilizers”.</p>	<p>Short title and commencement.</p> <p>Amendment of First Schedule.</p> <p>Amendment of Fourth Schedule.</p>
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**STATEMENT OF OBJECTS AND REASONS**

The intent of the Government in exempting the goods mentioned in Serial Number 17-A of Part-B of the Fourth Schedule to the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006) is to give more benefit to small and medium agriculturalists and to reduce the input cost of farming. However, as the said entry does not specify so, tax evasion is resorted to in respect of goods such as "Germicides", "Disinfectants" and "Gypsum of all forms and descriptions" in the garb of goods used for agricultural purposes. As the usage of such goods in agricultural purposes is insignificant and is predominantly used for other than agricultural purposes, the Government have decided to withdraw the exemption granted to "Germicides", "Disinfectants" and "Gypsum of all forms and descriptions" and to tax them under the said Act. The Government have also decided to omit "Anti-sprouting products" in Serial Number 17-A of Part-B of the Fourth Schedule as they do not have any use in agriculture. Accordingly, the Government have decided to amend the Schedules to the said Act for the aforesaid purposes.

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

**B V RAMANAA,**  
*Minister for Commercial Taxes  
and Registration.*

A.M.P. JAMALUDEEN,  
*Secretary.*