

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the Tamil Nadu on 28th April 2025 is published together with Statement of Objects and Resasons for general information:-

L.A Bill No. 17 of 2025

A Bill further to amend the Tamil Nadu Goods and Services Tax Act, 2017.

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

1. (1) This Act may be called the Tamil Nadu Goods and Services Tax (Amendment) Act, 2025. Short title and commencement.

(2) (i) Clause (i) of section 5 and section 14 shall be deemed to have come into force on the 1st day of July 2017.

(ii) Clause (i) of section 2 and section 6 shall be deemed to have come into force on the 1st day of April 2025.

(iii) All remaining sections shall come into force on such date as the State Government may, by notification, appoint.

Tamil Nadu Act 19 of 2017.

2. In the Tamil Nadu Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), in section 2,— Amendment of section 2.

(i) in clause (61), after the expression “section 9”, the expression “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 (Central Act 13 of 2017)” shall be inserted;

(ii) in clause (69),—

(a) in sub-clause (c), after the expression “management of a municipal”, the expression “fund” shall be inserted;

(b) after sub-clause (c), the following Explanation shall be inserted, namely:—

“Explanation.— For the purposes of this sub-clause—

(a) “local fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(b) “municipal fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;”;

(iii) after clause (116), the following clause shall be inserted, namely:—

“(116A) “unique identification marking” means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable;”.

Amendment of section 12.	3. In section 12 of the principal Act, sub-section (4) shall be omitted.	
Amendment of section 13.	4. In section 13 of principal Act, sub-section (4) shall be omitted.	
Amendment of section 17.	5. In section 17 of the principal Act, in sub-section (5), in clause (d),— (i) for the expression “plant or machinery”, the expression “plant and machinery” shall be substituted; (ii) the Explanation shall be re-numbered as Explanation 1 thereof, and after Explanation 1 as so re-numbered, the following Explanation shall be inserted, namely:— “ Explanation 2. — For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to “plant and machinery”.”.	
Amendment of section 20.	6. In section 20 of the principal Act, — (i) in sub-section (1), after the expression “section 9”, the expression, “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 (Central Act 13 of 2017)” shall be inserted; (ii) in sub-section (2), after the expression “section 9”, the expression “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 (Central Act 13 of 2017)” shall be inserted.	
	7. In section 34 of the principal Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:— “Provided that no reduction in output tax liability of the supplier shall be permitted, if the— (i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or (ii) incidence of tax on such supply has been passed on to any other person, in other cases.”.	Amendment of section 34.
	8. In section 38 of the principal Act,— (i) in sub-section (1), for the expression “an auto-generated statement”, the expression “a statement” shall be substituted; (ii) in sub-section (2),— (a) for the expression “auto-generated statement under”, the expression “statement referred in” shall be substituted; (b) in clause (a), the expression “and” shall be omitted; (c) in clause (b), after the expression “by the recipient,”, the expression “including” shall be inserted; (d) after clause (b), the following clause shall be inserted, namely:— “(c) such other details as may be prescribed.”.	Amendment of section 38.

9. In section 39 of the principal Act, in sub-section (1), for the expression “and within such time”, the expression “within such time, and subject to such conditions and restrictions” shall be substituted.

Amendment of section 39.

10. In section 107 of the principal Act, in sub-section (6), for the proviso, the following proviso shall be substituted, namely:—

Amendment of section 107.

“Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty has been paid by the appellant.”.

11. In section 112 of the principal Act, in sub-section (8), the following proviso shall be inserted, namely:—

Amendment of section 112.

“Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant.”.

Insertion of new section 122B.

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

“122B. Penalty for failure to comply with track and trace mechanism.— Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.”.

Insertion of new section 148A.

13. After section 148 of the principal Act, the following section shall be inserted, namely:—

“148A. Track and trace mechanism for certain goods.— (1) The Government may, on the recommendations of the Council, by notification, specify,—

(a) the goods;

(b) persons or class of persons who are in possession or deal with such goods,

to which the provisions of this section shall apply.

(2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1),—

(a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and

(b) prescribe the unique identification marking for such goods, including the information to be recorded therein.

(3) The persons referred to in sub-section (1), shall,—

(a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;

(b) furnish such information and details within such time and maintain such records or documents, in such form and manner;

(c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;

(d) pay such amount in relation to the system referred to in sub-section (2),

as may be prescribed.”.

14. In Schedule III of the principal Act,—

Amendment of
Schedule III.

(i) in paragraph 8, after clause (a), the following clause shall be inserted, namely:—

“(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area,”;

(ii) in Explanation 2, after the expression “For the purposes of”, the expression, “clause (a) of” shall be inserted;

(iii) after Explanation 2, the following Explanation shall be inserted, namely:—

“Explanation 3.— For the purposes of clause (aa) of paragraph 8, the expressions “Special Economic Zone”, “Free Trade Warehousing Zone” and “Domestic Tariff Area” shall have the same meanings, respectively, as assigned to them in section 2 of the Special Economic Zones Act, 2005(Central Act 28 of 2005).”.

15. No refund shall be made of all such tax which has been collected, but which would not have been so collected, had section 14 been in force at all material times.

No refund of tax
collected.

STATEMENT OF OBJECTS AND REASONS

The Tamil Nadu Goods and Services Tax Act, 2017 (Tamil Nadu Act 19 of 2017) provides for levy and collection of tax on intra-State supply of goods or services or both by the State Government. The Goods and Services Tax Council in its 55th meeting, among others, recommended amendments to the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017) and to give effect to the said recommendations, the Central Goods and Services Tax Act, 2017 has been amended vide sections 121 to 134 of the Finance Act 2025 (Central Act 7 of 2025). In tune with the said amendments, the Tamil Nadu Goods and Services Tax Act, 2017 (Tamil Nadu Act 19 of 2017) has to be amended suitably. Accordingly, the Government have decided to amend the said Tamil Nadu Act 19 of 2017.

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

P.MOORTHY,

*Minister for Commercial Taxes and
Registration.*

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clauses 1(2)(iii), 8(ii) and 13 of the Bill authorise the Government to issue notification or to make rules, for the purposes specified therein.

2. The powers delegated are normal and not of an exceptional character.

P.MOORTHY,

*Minister for Commercial Taxes and
Registration.*

Secretariat,
Chennai,
28th April 2025.

K. SRINIVASAN,
Principal Secretary.