

INDIRECT TAXES UPDATE – 159

VALUE ADDED TAX

GOA & WEST BENGAL VAT

Extension in Due Dates of Return & Completion of Assessment

State	Return/ Completion of Assessment	Year/ Quarter	Earlier Due Date	Proposed Due Date
Goa	Annual Return (Form VAT-III)	FY 2015-16	30.04.2016	30.05.2016
West Bengal	14/ 14D for Quarter ending 31.03.2016	Q4 for the FY 2015-16	30.04.2016	16.05.2016 for transmission of data electronically & 23.05.2016 for furnishing paper form of the return
	15 for Quarter ending 31.03.2016			
	15R for Year ending 31.03.2016			

[Notification Order No. CCT/12-2/11-12/662 dated 28th April, 2016
Order Memo No. 379/CT/PRO/3C/PRO/2015 dated 29th April, 2016]

Comments: To alleviate the difficulties faced by the dealers, in complying with the deadlines for filing quarterly / annual returns, and Officers for completing assessments of time barring cases, the due dates have been extended.

RAJASTHAN VAT

Process of application for new-registration

Following is the process for filing application for new registration:

- The dealer shall apply in "New Registration Application" provided under the head "e-Registration (New TIN)" on www.rajtax.gov.in . For reference, a hand book is also provided under the head "New Registration Application".
- Upload digital photograph along with scanned copy of required documents with Application in Form VAT-01.
- Form shall be digitally signed and security deposit shall be furnished in cash by e-

Payment through e-GRAS. If the application in Form VAT-01 is not digitally signed, then signed Acknowledgement of the said Form has to be submitted within 15 days of submission of online application. Further, if the security deposit is not furnished in cash, then the dealer shall have to submit a security bond or bank guarantee or NSC.

[Circular No. 02/2016-7 F.16 (95)/Tax/CCT/14-15/201 dated 26th April, 2016]

Comments: To enable dealers to obtain registration without much hassle the Government of Rajasthan has come out with the facility of e-registration wherein the entire procedure including furnishing of security deposit has been computerized. The Government has however retained the paper form of application for dealers unable to use such online facilities. This move is in line with adopting information technology as also to reduce the interaction with tax administrators.

[Process for filing of Online Memorandum for Appeal to Appellate Authority](#)

Following is the process to submit online Memorandum for Appeal (Form VAT-27):

- A registered dealer may file an appeal online in Form VAT-27 only after successful login on www.rajtax.gov.in (link: <http://rajtax.gov.in/vatweb/Appeal.do?dispatch-loadappealForm>). An unregistered dealer will use the link named "application for appeal by unregistered dealer" provided under e-Services.
- Where a dealer is also filing application for stay of demand recovery then he shall have to select "yes" provided in Form VAT-27 itself. Further, he may himself select location of his Appellate Authority provided in the "Appellant location" field.
- It is not mandatory to upload supporting documents along with the form of appeal. However, the documents uploaded should not exceed 5MB of size.
- After filing of the online appeal, a hard copy along with all the necessary documents has also to be submitted to the concerned appeal office. After submission, an acknowledgement shall be issued.
- An SMS will be sent to appellant & his representative on admission/ rejection of Memorandum of Appeal.
- The appellant may know the status of his appeal under the head "Track status for Appeal" provided under important activities & may also view / download the cause list provided in the field "cause list for appeal" under e-services.

[Circular No. 03/2016-17 F.16 (95)/Tax/CCT/14-15/210 dated 26th April, 2016]

Comments: Similar to the process of e-registration, the Government of Rajasthan has computerized filing of appeals. However, the Department still requires filing of hard copy of appeals leading to duplication. This may be avoided by dispensing with the procedure requiring filing of hard copy.

Procedure for post registration verification

The Rajasthan Government has provided the verification procedure to be followed, after granting registration which is as follows :

- The dealer will be intimated about the concerned inspecting officer through SMS and e-mail.
- The Officer shall visit the principle place of business of the dealer to verify the facts and statements (e.g. place of business mentioned, additional places of business, liable to register on a prior date, principal place is owned/ rented/ leased, etc.) & the registration documents uploaded with the application for registration.
- The officer conducting verification shall submit the inspection report online on Raj VISTA within 48 hours (2 working days) which would be available to view by the dealer in his profile section of website.

[Clarification No. F.16 (4)/Tax/CCT/2006/276 dated 29th April, 2016]

Procedure to generate online template for Form VAT-72

It has been already provided that a dealer who claims partial or full exemption from tax payment on sale of goods to another dealer in the State shall furnish a duly filled declaration in e-Form-72 obtained from the purchasing dealer. Now, the following procedure has been provided for generating the same:

- The purchasing dealer shall download the template and fill in the necessary details for generation of Form VAT-72. He shall duly sign the Form and will give it to the selling dealer.
- Selling/Purchasing dealer may claim exemption from tax payment by submitting the Form generated to his assessing authority.

[Circular No. 05/2016-17 F.16 (95)/Tax/CCT/14-15/397 dated 7th May, 2016]

KERALA VAT

Photographs need to be affixed on physical copy of Certificate

KVATIS already provides an e-platform to the dealers for registration, renewal of registration on payment of fee, e-Payment etc. Since electronic records are available evidencing renewal of registration but the dealers who needs a fresh physical copy are insisted to affix the photographs in the certificate.

[CIRCULAR NO.4/2016 C1/10178/16/CT dated 29th April, 2016]

[Last date for filing option for payment of compounded tax extended upto 31.05.2016](#)

The Kerala Government has extended the last date for filing the option for payment of compounded tax for the FY 2016-17 from 30.04.2016 to 31.05.2016.

[Circular No.OSI 2016 No.C1-14373/16/CT dated 2nd May, 2016]

MAHARASHTRA VAT

[Amendment to the Maharashtra Value Added Tax Rules, 2002](#)

The Maharashtra Government vide *Notification No. VAT-1516/C.R. 64/Taxation-1.- dated 29th April, 2016* has amended the following rules of Maharashtra Value Added Tax Rules, 2005; The major highlights of the changes are as follows :

Rule 11 (Cancellation of registration application)

The effective date of cancellation of registration in case of fraud & misrepresentation shall be the date Commissioner deems fit after making inquiry.

Rule 40 (Tax deduction at source)

- Every employer deducting tax at source shall file a return in e-Form 424 within 21 days from the end of the month in which tax is so remitted into the Government Treasury (tax amount to be remitted within 21 days from end of the month during for which tax is so deducted). Hitherto this return was required to be filed within 3 months of the end of the year to which the return relates.
- Clause 1(e) has been inserted to provide that the principal contractor who desires to transfer the credit to the sub-contractor shall file a return in e-Form 424A & issue a certificate in e-Form 402A to the sub-contractor for transferring such credit. Such principal contractor shall maintain a separate account in e-Form 404 A for each year containing details of credit so transferred.
- Where the Commissioner after conducting enquiry is satisfied that the contract is not a works contract, may grant the certificate in e-Form 411.

Rule 40A (Tax collection at source)

Every authority or agency issuing a tax collection certificate shall submit a return in e-FORM 423 within 21 days from the end of the month in which amount of sales tax is so collected. Earlier the return was to be filed within 3 months of the end of the year to which the return relates.

Rule 63 (Application under Advance Ruling)

This rule has been substituted with the following:

- The application for advance ruling shall be made in e-Form 703 along with the prescribed fees (non-refundable) on the following questions, whether:
 - a person, society, club or association or any firm or any branch or department of any firm, is a dealer or
 - a person or dealer is required to be registered or
 - any activity done to any goods amounts to manufacture or
 - any transaction is a sale or purchase & if yes then what shall be the sale price or the purchase price or
 - any person or dealer is liable to pay tax or if tax is payable then at what rate or
 - set-off can be claimed on any particular transaction and if it can be claimed then what are the conditions and restrictions.
- The concerned officer shall submit a report to the Commissioner or the Advance Ruling Authority in e-Form 703A. Further, the communication regarding acceptance of the application shall be in Form 703B.
- The notice for giving reasonable opportunity of being heard before making rectification of order shall be in e-Form 703C. The date fixed for compliance shall not be earlier than 15 days from the date of service.
- The application for rectification of mistake shall be made in e-Form 703D.
- The notice for calling the record of any Advance Ruling issued shall be in Form 703E.

Rule 73 (Fees)

A fee of Rs. 2,000 (earlier Rs. 500) is payable while making an application under Advance Ruling.

[Notification No. VAT-1516/C.R. 64/Taxation-1.- dated 29th April, 2016]

Comments: To give effect to the budget announcements and the subsequent amendments to the MVAT Act, 2002, the above notification has been issued.

Settlement of Arrears in Dispute

Following are the salient feature of the scheme for settlement of arrears in dispute:

- **Time limit for making application-** For statutory orders passed on or before 31.03.2012, an application in Form-I to be submitted on or before 30.09.2016.
- **Conditions-** The applicant who desires to avail of the benefit shall first withdraw the appeal, or proceeding. Further, the application shall be accompanied by copy of statutory order, stay order granted, order of withdrawal of the appeal, challans showing payment of the requisite amount & amount of undisputed arrears.

- **Procedural aspect-**

- On receipt of the application the designated officer shall verify the contents of the said application as well as requisite proof;
- If the application is defective then within 7 days from the receipt, a defect notice in Form-II will be issued.
- If the applicant within 15 days has complied with the defect notice and makes the payment, if any, then a settlement order shall be passed within 30 days.
- If the applicant fails to comply with the defects then after providing the opportunity of hearing, a rejection order may be passed within 30 days from the last date provided for compliance.

- **Settlement order can be revoked, if an applicant has obtained benefits of settlement** by suppressing material information or furnishing false information, or if any concealment of any particulars is found during search & seizure proceedings.

[Trade Circular No. 10T of 2016 dated 3rd May, 2016]

Comments: The Hon'ble Finance Minister in his Budget Speech had announced a scheme to unlock arrears pending at the various appellate forums under various Acts administered by the Maharashtra Sales Tax Department. In order to give effect to the budget proposal to unlock disputed arrears, the above settlement scheme has been introduced.

Proof of permanent place of residence is required for the purpose of Registration

Due to the hurdles faced by the businessman in providing one of the documents mentioned in table below as a proof permanent place of residence (in applicant's name), the Maharashtra Government has provided relaxation by directing that any of the two documents listed under the table may be provided as a proof of place of residence.

Earlier it was mandatory to submit 1 out of the following as a proof of place of residence	Now any 2 out of the following may be submitted
Latest paid electricity bill	Ration card
Co-operative Society share certificate	Valid Indian Passport
Latest Society Maintenance Bill	Driving license
Property card or latest receipt of property tax of Municipal Corporation / Council / Gram Panchayat	Election photo identity card
Consent letter from family member (owner/co-owners of premises) along with copy of documents showing signature of consenter/s, proof of	Aadhaar Card

ownership of consentor/s and signature proof of consentor/s	
	Latest paid electricity bill
	Co-operative Society share certificate
	Latest Society Maintenance Bill
	Property card or latest receipt of property tax of Municipal Corporation / Council / Gram Panchayat
	Consent letter from family member (owner/co-owners of premises) along with copy of documents showing signature of consentor/s, proof of ownership of consentor/s and signature proof of consentor/s
	Latest copy of MTNL/BSNL landline bill
	First page of Passbook of Saving Bank Account or Certificate showing the address of the applicant issued by the manager of any Nationalized Bank
	Latest copy of bill of domestic gas connection

[Trade Circular No. 15T of 2016 dated 9th May, 2016]

Unique ID in the form of Tax Identification Number

The Maharashtra Government has clarified that scheme of Unique TIN is also applicable to PTRC under The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and to the Maharashtra Purchase Tax on Sugarcane Act, 1962 along with other statutes like VAT, CST, Luxury Tax Acts, and Maharashtra Tax on the Entry of Goods into Local Areas Act, having format of the TIN for PTRC as '27ab0010216P' and for SCPT as '27ab0010216S' respectively, where 27 is State Census Code, 'ab' is check digit & 0010216 is serial number.

[Trade Circular No. 16T of 2016 dated 9th May, 2016]

Comments: To facilitate easy identification of dealers, the TIN issued under the provisions of the MVAT shall be considered for the purpose of The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and to the Maharashtra Purchase Tax on Sugarcane Act, 1962.

Designation of Wednesday as Taxpayers' Day

The Maharashtra Government has designated Wednesday (2 pm to 5 pm) as Taxpayers' Day wherein Zonal/ Divisional/ Unit heads of all offices will meet the taxpayers/ other stakeholders in their chambers without any prior appointment to address their grievances relating to Sales Tax expeditiously. Further, it is declared that Service Cell Meeting of all dealers and their representatives will be held on first Saturday of third month of even quarter (i.e. June, September, December and March) at all the divisional levels.

[Trade Circular No. 17T of 2016 dated 9th May, 2016]

Comments: To engage with dealers and to understand the problems faced by them, the Maharashtra Government has introduced informal meetings of dealers / tax payers with Zonal / Divisional / Unit heads of all offices.

DELHI VAT

Display of Registration Certificate at principal place of business

Delhi Government has directed ACs ward incharges to ensure that all the registered dealers have prominently displayed the registration certificate at their principal place of business and a certified copy at all other places of business in Delhi. Further, the dealer shall also prominently display his TIN and ward number outside the main entrance of all places of business in Delhi.

[Circular No. 4 of 2016-17 F.3(667)/Policy/VAT/2016/200-205 dated 10th May, 2016]

Comments: To ensure that customers are effecting purchases from registered dealers and to ensure that that customers are not paying extra in the guise of taxes to unregistered dealers, the above circular has been issued.

Source: Respective State Commercial Taxes Website

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