

INDIRECT TAXES UPDATE – 162

VALUE ADDED TAX

DELHI

Requirement of item-wise detail in Annexure-2A, Annexure-2B, DVAT-30 and DVAT-31

Effective Date: 06th June, 2016

The Delhi Government vide *Notification No. F.3(30)/Fin(Rev-1)/dsvi/121 dated 12th April, 2016* required furnishing of item-wise details of sales and purchases in DVAT Returns and in Forms DVAT-30 and DVAT-31. It has now been clarified that furnishing item-wise details is mandatory for the tax period commencing from 01.04.2016. For the tax period commencing from 01.01.2016 to 31.03.2016 it is optional to specify the item-wise details.

[Circular No.09 of 2016-17 No.F.3(670)/VAT/Policy/2016/343-348 dated 6th June, 2016]

Comments: This circular has been issued to mitigate the additional hardship caused to a dealer in filing their returns for the period of January 2016 to March 2016 by making it optional to fill the item-wise details.

Applicability: All dealers.

Introduction of Reward/ Appreciation scheme for Good dealers

Effective Date: 10th June, 2016

The Delhi Government has introduced a Reward/ Appreciation Scheme for Good Dealers with intent to acknowledge the dealers for better tax compliance.

Reward for the dealers falling under the following categories-

- New entrepreneur who is registered in 2015-16 and is the highest tax payer and /or has the highest growth with respect to turnover of previous year having 1 slab which is ranging from Nil to Rs. 50 lakhs or 3 slabs ranging between Rs 50 lakhs to 500 Crores or 1 slab above Rs. 500 Crores.

Eligibility-

- Admitted tax due and tax paid (VAT/CST) with the returns will be accounted for.
- Refund claimed and tax credit carried forward would be deducted from the tax collected.
- Tax, interest, penalty or any other dues pertaining to past periods but deposited during current year will not be considered for Reward purposes.

- Dealers showing decline in tax will not be eligible for Reward purposes.
- No adverse material should be on record against the dealer.
- There should be no outstanding un-stayed demands/ dues.
- Dealer should not be a return defaulter during the financial year.
- No penalty has been imposed against the dealer during the preceding 2 years.

The Reward Evaluation Committee shall work out the claims of the winners for reward/appreciation

[Order No.F.3(632)/Policy/VAT/2015/PF/363-69 dated 10th June, 2016]

Comments: The Reward/ Appreciation Scheme have been introduced to encourage the tax payers to better their efforts in complying with the tax provisions of the State & to set examples for the other dealers also.

Applicability: All dealers.

UTTARAKHAND

Date extension for filing last quarter return of FY 2015-16 upto 30.06.2016

Effective Date: 01st June, 2016

The Uttarakhand Government has extended the due date for filing of the 4th quarter return (i.e. 01.01.2016 to 31.03.2016) for the FY 2015-16 from 25.04.2016 or 30.04.2016, as the case may be, to 30.06.2016 by the dealers who are liable to tax or responsible for deduction of tax at source provided that the payment of tax, composition money or TDS has been remitted within the time limit as provided in Rule 11.

[Notification No. 480/2016/19(120)/XXVII(8)/2012 dated 1st June, 2016]

Applicability: Dealers having GTO upto 50 lakhs in the preceding year, Dealers who have opted for payment of taxes under the composition scheme, Dealers carrying on the business of transfer of property in goods involved in the execution of works contract, Persons responsible for making deduction of tax at source under the provisions of Section 35.

JHARKHAND

Insertion of Section 80A (Advance Ruling) under Jharkhand Value Added Tax Act, 2005

Effective Date: 01st April, 2016

- Section 80A has been inserted under Jharkhand Value Added Tax Act, 2005 to provide for advance ruling: Any registered dealer may apply for obtaining an advance ruling on

the interpretation of any provision of Act, Rules or Notifications issued in respect of a transaction proposed to be undertaken.

- The Tribunal may reject the application if it finds that there is no involvement of any important or substantial question of Law, but only after giving a reasonable opportunity of being heard to the applicant.
- The Tribunal shall pronounce its advance ruling within 4 months of the receipt of the application by it. Further, the pronouncement made shall be prospective & binding on the applicant and the authorities appointed unless there is a change in Law or facts.
- On an application from Commissioner, the Tribunal shall review, amend or revoke its ruling for good and sufficient reason after giving an opportunity to the affected applicant.
- When the Tribunal finds that the advance ruling has been obtained by misrepresentation of facts then it may by order & after giving an opportunity of being heard shall declare the ruling as void-ab-initio & thereupon all the provisions of the Act shall apply to the applicant as if such Advance Ruling has never been made.

[Jharkhand Ordinance-03, 2016]

Comments: This will help in clarifying several contentious issues with a view to avoiding litigation. It will also bring in clarity in respect of tax matters and aid the dealers in decision making.

Applicability: All dealers.

Issuance of registration certificate within one day of application submission

Effective Date: 08th June, 2016

The Jharkhand Government has directed that the registration certificate in Form JVAT-106 be issued within one day instead of 5 days from date of filing of application in Form-JCRF for obtaining registration under JVAT, JENT, JHLT, JAT & JED.

Further, a new clause (d) has been inserted under sub-rule (vi) providing that the facilities of issuance of SUGAMS P, G and B to newly registered dealers shall be available to the extent of amount of security bond furnished and equal to the amount of tax involved in transactions made through SUGAMS. If further issuance of SUGAMS is required, the dealer shall be required to furnish additional security bond and to deposit additional tax as required.

[Notification No. S.O-27 dated 8th June, 2016]

Comments: Because of issuance of registration certificate within one day, the dealers will now be able to issue tax invoices at an earlier stage. This will help in the claim of tax credits on his purchases as compared to the RC being issued within 5 days. Further, to safeguard the State's interests and to prevent fraudulent transactions, issuance of SUGAMS to newly registered dealers is now linked to the value of security bond furnished at the time of registration.

Applicability: All dealers.

SIKKIM

Suppliers and contractors having turnover above taxable limit should have valid registration certificate

Effective Date: 09th June, 2016

The Sikkim Government has directed that all the suppliers and contractors having turnover above Rs. 5 Lakhs shall hold a valid registration certificate. Further, all the Heads of the Departments and PSUs are also directed to ensure that bills submitted for payment are bearing the registration number (TIN) of the supplier or the contractor i.e. bills not bearing the TIN shall not be accepted for payment.

Moreover, all the payments against supply and work contract are also subjected to deduction of VAT and environment Cess at source.

[Circular No. 1/CT1/2016 dated 9th June, 2016]

Comments: To ensure compliance with the provisions of the Sikkim VAT Act, the Government has mandated that all suppliers and contractors having turnover above 5 lakhs shall get themselves registered.

Applicability: Suppliers & Contractors having turnover above Rs 5 lakh

TELANGANA

Instructions for Inspections/ Audits & Assessments

Effective Date: 10th June, 2016

The objective of audit is to optimise Revenue collection and improve Tax Compliance. Therefore, planning and arranging an appointment for audit with the dealer is required in General Audit, 'except,' in case of a surprise or specific or special audit. Selection of general audit should be made on the basis of defined parameters in the VATis and authorized through System in FORM ADM 1B.

The Add./ Joint Commissioner, Enforcement wing and the Deputy Commissioners should authorize the officers for inspection/ Audit/ Assessments for addressing probable tax evasion:

- Surprise Audit wherein prior intimation is not necessary to maintain confidentiality in addressing probable Tax evasion.
- Specific Audit is to be done on the basis of intelligence information or on receipt of urgent reference and potential unregistered dealers.

- Special Audit is to be done where evidences or information of serious fraud are available that needs in depth investigation.

[Circular-TSCCT's Ref No. Enft/33/75/2016 dated 10th June, 2016]

Comments: These guidelines have been provided to ensure that audit work is carried out systematically to fully consider the available information and assess the nature of transactions in order to bridge the gap between actual taxes due and that which are declared to the Department.

Applicability: All dealers.

TAMIL NADU

Issue of manual C & F Forms has been extended upto 31.07.2016

Effective Date: 01st April, 2016

The Tamil Nadu Government has extended the last date from 31.03.2016 to 31.07.2016 for issue of manual C & F forms for the inter-state transactions already reported and properly accounted for. Therefore, all the dealers are informed to utilize this opportunity and get the forms from the assessment circles by producing the connected documents as this date will not be extended further.

[Circular No.6/2016 CC4/678/2012 dated 13th June, 2016]

Comments: The date has been extended due to representations made by number of assesses to enable the issue of manual forms to the dealers for all the missed out invoices and for any mistakes in the already generated online forms.

Applicability: All dealers.

Source: Respective State Commercial Taxes Website

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