



**COMMERCIAL TAXES AND REGISTRATION
DEPARTMENT**

DEMAND NO. 10

COMMERCIAL TAXES

POLICY NOTE

2010-2011

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(C)
Government of Tamil Nadu
2010

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குடிதழீஇக் கோலோச்சும் மாநில மன்னன்
அடிதழீஇ நிற்கும் உலகு.

- திருக்குறள்

(பொருள்: குடிமக்களை அன்புடன் அரவணைத்து
ஆட்சி செய்கின்ற அரசனை உலகம்
பின்பற்றி வாழும்)

(The world will constantly
embrace the feet of the
great king who rules over
his subjects with love)

INTRODUCTION

Large number of development schemes and welfare schemes are being implemented by the Government of Tamil Nadu in their

endeavour to bring prosperity and development to the State. The Commercial Taxes Department plays a major role in mobilizing financial resources for implementing the schemes of the Government. Nearly 70% of the State revenue comes through Commercial Taxes. Due to global economic recession, last year, there was negative growth in various sectors. Also, this Government have granted exemptions for essential household items in the interest of the common people. However, without imposing any new tax or increasing the existing rate of tax, Commercial Taxes Department was able to collect a tax revenue of Rs.24,819 crore in the year 2009-2010 which is Rs.2,249 crore more than the previous year's collections.

2. ORGANISATION OF THE DEPARTMENT AND ITS FUNCTIONS

The Department has a well-connected network of subordinate offices throughout the State to administer the various Tax Acts and collect revenue for the State.

The administration of the Department is vested with the Commissioner of Commercial Taxes. The Commissioner is assisted at the Headquarters by 5 Additional Commissioners, 3 Joint Commissioners, one Joint Director (Statistics & Research), 5 Deputy Commissioners and 6 Administrative Officers. There is functional distribution of work among different wings in the Department.

2.1 Assessment Wing

The Assessment Wing consists of Assessing Officers in the cadre of Assistant Commissioner, Commercial Tax Officer and Assistant Commercial Tax Officer. There are 323 Assessment Circles in the State, out of which, 236 circles are headed by Assistant Commissioners and 81 by Commercial Tax Officers. Six Fast Track Assessment Circles

(four in Chennai and two in Coimbatore) are headed by Deputy Commissioners. The Assessing Officers are under the control and supervision of the Territorial Deputy Commissioners at district / zone level and the Joint Commissioners at the Division level.

2.2 Audit Wing

Each Commercial Taxes District has one internal audit party which consists of one Assistant Commissioner and one Commercial Tax Officer under the control of the Territorial Deputy Commissioner. It takes up audit of assessments, receipts and refunds on quarterly basis as per the programme charted by the Territorial Joint Commissioner. Rectification of audit para is watched by the respective Territorial Deputy Commissioners and Joint Commissioners.

Further, the audit of assessments and refunds is also undertaken by the Accountant General every year. Rectification/settlement of the objections is primarily attended by the Assessing Officers. This important work is being supervised and monitored at the State level by the Additional Commissioner (Audit) in the office of the Commissioner of Commercial Taxes, Chennai.

2.3 Appellate Wing

The Appellate Deputy Commissioner is the first Appellate Authority. There are 20 Appellate Deputy Commissioners and two Appellate Joint Commissioners in the State. The Departmental Representatives in the cadre of Assistant Commissioner are appointed to represent/defend the Department's case. Second Appeal lies with the Sales Tax Appellate Tribunal. The Main Bench is at Chennai, with Additional Benches at Chennai, Madurai and Coimbatore. A State Representative in the cadre of Joint Commissioner and Additional State Representatives in the cadre of Deputy Commissioner are appointed to represent the Department's case in the Main Bench and the Additional Benches, respectively.

2.4 Enforcement Wing

There are seven Enforcement Divisions in the State, each headed by a Joint Commissioner. There is a separate Inter-State Investigation Cell (ISIC) headed by a Joint Commissioner.

There are 10 Deputy Commissioners in the Enforcement Wing with 14 Assistant Commissioners. Under each Deputy Commissioner and Assistant Commissioner, there are Groups consisting of Commercial Tax Officers and Assistant Commercial Tax Officers, besides Roving Squad, and officers at Rail Heads and Goods yards.

The Enforcement Wing conducts inspection of places of business to detect evasion of taxes. Besides, the Enforcement wing officers conduct field audit under the Tamil Nadu Value Added Tax Act to verify the accounts of the dealers in their premises after getting permission from the Commissioner of Commercial Taxes and giving proper intimation to the dealers. The Roving squads and Rail Head officers prevent evasion of tax by collecting invoices and other transport documents and cross-verifying them. Inter-State Investigation Cell gets details of business transactions from other States and verify the same with the accounts of dealers of our State.

2.5 Check-posts

Twenty eight border Check-posts and one Internal Check-post are functioning in

the State. Border check-posts consist of fifteen major check-posts and thirteen minor check-posts. The internal check-post is a major check-post. Assistant Commercial Tax Officers are manning the Check-posts, with complementary staff like Upper Division Inspectors, Record Clerks, Office Assistants and Loadmen. Five major check-posts are headed by Assistant Commissioners. Check-posts have been modernized by providing counters, furniture, name boards and other civil and electrical works. Check-posts have been provided with computers for entering the data relating to movement of vehicles, bills and documents collected. Surveillance cameras have been installed in vital check-posts and linked to a central monitoring system.

3. COMMERCIAL TAXES STAFF TRAINING INSTITUTE

The Commercial Taxes Staff Training Institute was started in the year 1982. The objective is to train the departmental personnel and equip them with current and upto date information in the matters of taxation under all Acts administered by the Department. Analysis of training needs of

the staff of the Department is carried out and suitable training programmes are organised for the Commercial Taxes staff to keep pace with current developments and to prepare the staff of the Department to face the challenges in future. Since computerization has been introduced in all important areas, this institute also provides training to departmental staff of all cadres in Computer operational methods. Guest lectures by experts in the field are also arranged.

The Institute functions under the control of a Director in the cadre of Joint Commissioner (CT). Two Senior Lecturers in the cadre of Deputy Commissioner and one lecturer in the cadre of Assistant Commissioner are conducting training programmes.

The Institute is organizing –

- Foundational Training on the concept of Taxation
- In service Training
- Computer Training
- Value Added Tax Training

This Institute also gives Computer training to the Ministerial Staff on departmental packages, intranet, internet and e-mail, for equipping them in the operation of computers.

Chapters of the Commercial Taxes Staff Training Institute were opened and facilities were upgraded at Vellore, Salem, Coimbatore, Trichy, Madurai and Tirunelveli in order to get all the officials trained simultaneously throughout the State. Further, the training on TINXSYS and scrutiny of returns through computers is imparted to the staff and officers.

4. STATISTICS AND RESEARCH CELL

The Statistics and Research Cell at the headquarters is headed by Joint Director of Statistics. Each Division has a Junior Research Officer and each Zone/CT District has a Statistical Inspector.

The Statistics and Research Cell brings out the following reports/ publications regularly :

- i) Booklet on "Commercial Taxes Department – At a Glance".
- ii) Selected Indicators on Commercial Taxes Department (Folder).
- iii) Time series report on "Statistical Compendium on Commercial Taxes Department".
- iv) Revenue Analysis of Top 100 dealers for all Divisions and for the State.
- v) Revenue Analysis of maximum revenue fetching commodities for all Divisions and for the State.
- vi) Report on Act-wise and Division-wise revenue.
- vii) Report on Monthly Performance of Divisions.
- viii) Conduct of Commodity Oriented Studies to assess tax evasion and reporting.
- ix) Reports on Evasion Prone Commodities.
- x) Monitoring and reporting of prices of about 260 VAT commodities to assess the impact of VAT on prices.

5. ACTS ADMINISTERED BY THE DEPARTMENT

The Commercial Taxes Department is administering the following Acts and enforcing collection of taxes under the respective heads :

1. Tamil Nadu General Sales Tax Act, 1959 (upto 31.12.2006)
2. Tamil Nadu Additional Sales Tax Act, 1970 (upto 31.12.2006)
3. Tamil Nadu Value Added Tax Act, 2006 (with effect from 1.1.2007)
4. Central Sales Tax Act, 1956
5. Tamil Nadu Entertainment Tax Act, 1939
6. Tamil Nadu Advertisement Tax Act, 1983
7. Tamil Nadu Betting Tax Act, 1935
8. Tamil Nadu Tax on Luxuries Act, 1981
9. Tamil Nadu Tax on Entry of Motor Vehicles into Local Areas Act, 1990.

10. Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001.

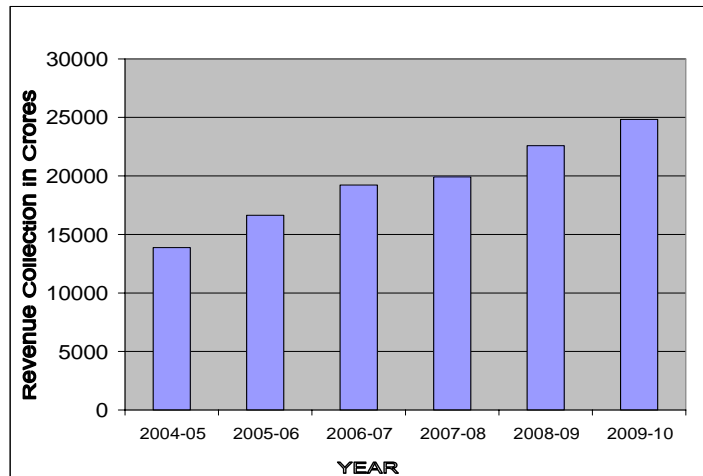
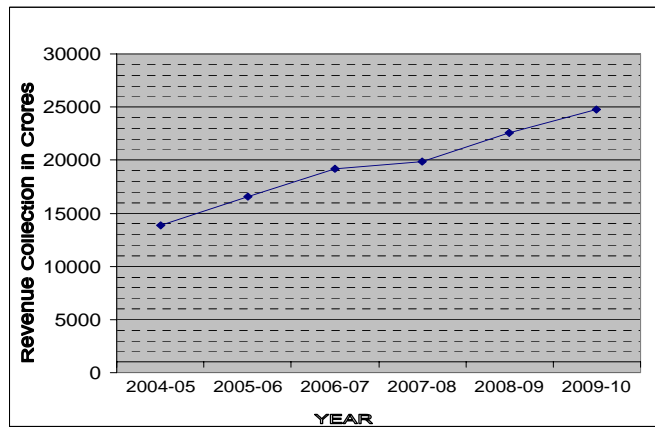
(This Act was struck down by the Madras High Court by its order dated 23.3.2007 – An appeal against this order is pending in the Supreme Court)

6. TREND IN REVENUE COLLECTIONS

The revenue collections under all Acts are tabulated below :

Year	Revenue collections (Rs. in crores)	Growth rate %
2004-2005	13,908	18.29%
2005-2006	16,615	19.47%
2006-2007	19,217	15.66%
2007-2008	19,952	3.83%
2008-2009	22,570	13.12%
2009-2010	24,819	9.96%

PICTORIAL REPRESENTATION OF REVENUE TREND



7. ACT-WISE REVENUE COMPARISON WITH PREVIOUS YEARS

The Act-wise revenue collection is as below :

(Rs. in crore)

	Act	2002-2005	2005-2006	2006-2007	2007 - 2008	2008-2009	2009-2010
1.	TNGST	11462	13658	13416	429	293	218
2.	TNVAT	-	-	2290	16472	19440	21477
3.	CST	1495	1799	2033	1744	1653	1773
4.	Entertainment Tax	59	44	25	16	12	13
5.	Betting Tax	6	6	6	6	6	7
6.	Luxury Tax	78	92	128	160	170	169
7.	Entry Tax on Vehicles & Goods	808	1016	1319	1125	996	1162
	Total	13908	16615	19217	19952	22570	24819

8. RECEIPTS AND EXPENDITURE

The details of revenue receipts and expenditure for the Commercial Taxes Department are indicated below :

(Rs. in crore)

Sl. No.	Minor Head	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
1.	Receipts	13908	16615	19217	19952	22570	24,819
2.	Expenditure	102.34	110.44	128.52	143.73	187.27	205.10
3.	Percentage of expenditure to receipts	0.74%	0.66%	0.79%	0.72%	0.83%	0.83%

9. VALUE ADDED TAX (VAT)

In our State, the Tamil Nadu General Sales Tax Act, 1959 has been repealed and the Value Added Tax system has been implemented from 1.1.2007. The methods and procedures under the Value Added Tax system were popularised through mass media among the traders and industries during the last three years. They have welcomed the Value Added Tax system as this system has been much beneficial and transparent. A new website for Value Added Tax, "www.tnvat.gov.in" is in existence from December, 2006, which is constantly updated and it provides all information required by the dealers. The facilities of e-filing of monthly returns and also e-payment have been introduced in this Department for the benefit of dealers.

10. TAX CONCESSIONS ANNOUNCED IN THE BUDGET 2010-2011

Every year, before the Budget, this Government conducts pre-budget meeting with the representatives of Trade and Industry to hear their grievances and receive representations regarding the tax proposals and tax administration. This year also, a meeting was conducted on 1.3.2010. In this meeting, representatives of various Trade Associations and Chambers of Commerce have participated and made representations. Considering these representations, various tax concessions were announced in the Budget for the benefit of consumers, traders and manufacturers. It is significant to note that this Government has presented a tax-free budget for the fifth time consecutively.

The following goods were exempted from levy of Value Added Tax :

- (a) Powder of pepper, cumin seed and aniseed both on their sales and purchase (with turnover conditions).
- (b) Products manufactured with Aloe Vera (when aggregate annual turnover does not exceed Rs.1 crore).

- (c) Imported sugar (for one year).
- (d) Fuel manufactured out of municipal solid dry waste.
- (e) Plates, cups including thonnai manufactured out of areca palm leaf.
- (f) Palmyra rafters used as beams in huts and small houses.
- (g) Ice bars/blocks.
- (h) Zari (excluding polyester film yarn and radiant yarn) on purchases and sales.

Further, the rate of tax on the following commodities which are used by common people is reduced from 12.5% to 4%.

- Branded coffee powder (other than instant coffee)
- Paint brush
- Branded sweets and savouries
- Knives, scissors and tailoring hand needles
- Branded ready mix food products (in the form of flour, powder or wet dough)

All the above mentioned tax concessions have been given effect from 1.4.2010.

11. COMPENSATION FOR REVENUE LOSS ON ACCOUNT OF INTRODUCTION OF VALUE ADDED TAX

The Government of India have stipulated certain norms to quantify the loss for each State, taking the year 2004-05 as the base year and projecting the revenue for the financial year 2005-2006, 2006-2007 and 2007-2008. The compensation is available at 100%, 75% and 50% of the difference between the projected revenue and the actual revenue of the financial years 2005-2006, 2006-2007 and 2007-2008 respectively. Since, VAT has been introduced in our State from 1.1.2007 i.e in the second financial year 2006-2007, our state was eligible for compensation of 75% for January to March 2007 and of 50% for the third financial year viz. 2007-08. However, this Government requested the Central Government to provide compensation at the rate of 100%, 75% and 50% for the calendar years 2007, 2008 and 2009 respectively. The Government of India have accepted the request to the extent that they will provide compensation at the rate of 75% and 50% for the calendar years 2007 and 2008 respectively. The compensation amount

payable to the State for the period from January, 2007 to December,2008 is Rs.4011.80 crore. The compensation amount so far received is Rs.3040 crore. The balance amount due to the State of Tamil Nadu is Rs.971.80 crore. This matter has been taken up with the Government of India to claim the balance compensation amount due to the State.

12. PHASING OUT OF CENTRAL SALES TAX

The principles of Central Sales Tax Act, 1956 are not compatible with the principles of Value Added Tax Act. Therefore, the Government of India have decided to phase out Central Sales Tax Act, 1956 over a period of time. Having taken this view, the Government of India have reduced Central Sales Tax rate from 4% to 3% with effect from 1.4.2007 and from 3% to 2% with effect from 1.6.2008. On account of reduction of rate of tax, the Government of India decided to compensate the States with 100% compensation for the financial years 2007-2008 and 2008-2009. For the years 2007-2008 and 2008-2009 the total compensation claim made by our State is Rs.2675.98 crore, whereas Central Sales Tax

compensation amount received so far is Rs.1147.54 crore only and the balance amount due to the State for the years 2007-2008 and 2008-2009 is Rs.1528.44 crore. In so far as the year 2009-2010 is concerned, the compensation package is yet to be decided by the Government of India in consultation with the State of Tamil Nadu. However, a sum of Rs.1577.10 crore has been claimed as compensation for the period from April, 2009 to January, 2010 and a sum of Rs.259 crore has been received recently and the balance amount of Rs.1318.10 crore is yet to be received. This matter has been taken up with the Government of India to claim the balance amount of compensation due to the State.

13. COMPUTERISATION OF THE DEPARTMENT

Concerted efforts are taken to fully modernize the Department. All the assessment circles are provided with modular furniture and computers with internet connectivity. The computerization of the Department was started in 1973 with the help of Government Data Centre. The Department had its own data centre in 1988 in which the monthly returns were entered

and processed for generating MIS reports for the budgetary exercise. Further, to augment revenue collection effectively, the Department started supplying computers to the field offices during 1998. In 2003, all the offices were provided with computers to enter the data in their offices and a Wide Area Network was formed to export the data so entered to the central server at Chennai. At present, the Department has Website namely, "www.tnvat.gov.in" for the trading public and intranet site for the Departmental use.

13.1 e-GOVERNANCE

e-Governance initiatives have been implemented in the Commercial Taxes Department and the following services are provided through Internet and Intranet websites: -

13.1.1 Registration of dealers

A Registration package under Tamil Nadu Value Added Tax Act, 2006 and Central Sales Tax Act, 1956 has been developed and installed in all assessment offices. There is no manual allotment of TIN and only computer generated Registration Certificates are issued to dealers under

Value Added Tax and Central Sales Tax Acts. Various registration related activities like new Branch/Godown/Factory registration, modification in the registration like name change, address change, etc., are carried out only through computers. Provision is also made in the website for online application for registration. The Tamil Nadu Value Added Tax Rules have been amended on 19.4.2010 to the effect that the applicant shall furnish his/her Permanent Account Number (PAN) while submitting the application. The existing dealers have to furnish their PAN Number within three months.

13.1.2 Return Processing

Return posting modules under the Value Added Tax Act and the Central Sales Tax Act have been developed and installed in all assessment circles. The returns received in the assessment circles are immediately fed into the computer and exported to the Central Server so that officers from the cadre of Assistant Commissioner to Commissioner can supervise this process by viewing the "return filed status". Further, data regarding purchase and sales is also fed into the computer and cross-verification of input tax

credit claim is done by the assessing officers as well as senior officers. The manual housekeeping work of maintaining the Cheque Register has been dispensed with and collection activities like challan, scroll generation etc. are carried-out through computers. Also, provision is made in the module to generate self -assessment orders.

13.1.3 Connectivity

LAN (Local Area Network) connectivity has been established in all assessment circles and broadband internet connectivity has been provided to all the offices of the Department. Tamil Nadu State Wide Area Network (TNSWAN) links have been provided to all the offices of the Commercial Taxes Department at a cost of Rs.3.75 crore.

13.1.4 e-Filing of Returns

On-line facility to file returns under Value Added Tax and Central Sales Tax through internet website www.tnvat.gov.in has been mandated to all dealers who claim input tax credit in the monthly returns and accordingly, as many as 1,80,000 dealers are filing their monthly returns electronically

at present and efforts are being taken to ensure 100% e-filing.

13.1.5 e-Payment

On-line payment/remittance facility through internet website www.tnvat.gov.in has been introduced through the State Bank of India from October, 2009 and about Rs. 1,400 crore is collected every month through e-payment facility.

13.1.6 e-request of Statutory forms

The facility of e-request for supply of saleable forms has been provided to the dealers so that the dealers can make their request for statutory forms through online and also know the date when they can collect the forms from the assessment circle through e-mail.

13.1.7 Refund request for exporters

The filing of Form 'W' return has been prescribed for the exporters who claim the Input Tax Claims on their zero rated sales. The online software for this service has been developed in association with the National Informatics Centre (NIC). After introduction of this scheme, refund to the dealers

exporting goods will be made faster than in the manual system adopted earlier. The status of their refund claim will be available in the website and the visit by the dealers to the office will be very minimal.

13.1.8 Fast Track Clearance System at the Check-posts

Vehicles moving with goods halt at the check-posts for scrutiny by the check-post officer. This results in traffic congestions on the main roads. Further, bills collected are used to cross-verify the transactions of the dealers and are entered in the computer system which is a voluminous work. To solve these issues, the Commercial Taxes Department introduced the Fast Track Clearance System (FTCS) as a part of e-governance. Through this service, dealers can declare the goods carried through the transport vehicles in the website www.tnvat.gov.in and the acknowledgement generated through the website will be carried along with the goods vehicle. In the check-post, if the acknowledgement generated through the website is produced, vehicles will be cleared fast. The Check-post officer will make an entry in the website for confirmation of the goods transported. Through this service,

dealers who are genuinely transporting the goods will be saving time and it helps to minimise the traffic congestion near the check-posts. Further, the data required by the Department is easily available.

13.1.9 Improvement of Tax payers services

The following facilities / services are also made available for the mercantile public through the website www.tnvat.gov.in :

- ❖ The Acts & Rules, Forms, Circulars, Clarifications, Government Orders and Notifications issued
- ❖ The facility to view dealer payment history and profile (Dealer's Ledger)
- ❖ On-line search facility to know the rate and schedule of commodities
- ❖ On-line search facility to know the details of dealers by entering their TIN or Name.
- ❖ On-line facility to view status of refunds issued in the assessment circles.

13.1.10 Intranet site of the Department

The Wide Area Network of the Department is crowned with a departmental web, which throws up information on the Offices of the Department, Circulars, Notifications, Judgments, Acts and Rules and an e-mail facility. The web presents MIS reports of the data already entered in the offices.

13.1.11 Tax Information Exchange System (TINXSYS)

TINXSYS is a **Centralised Solution**, suggested by the Empowered Committee of State Finance Ministers (EC), to facilitate **information exchange** between State Commercial Taxes Departments. This provides effective monitoring of Inter State Trade such as movement of goods sold under concessional rate of tax. The mercantile public as well as Commercial Tax officials can make use of this system to verify the details of dealers and the details of statutory forms under Central Sales Tax Act. All the officials up to the cadre of Assistant have already been trained on the usage of TINXSYS and suitable authorization (like user name and password) for each official has already been provided. It is worthwhile to

claim that our State is leading ahead of all other States in uploading the data into TINXSYS Server. Unlike in other States, this process is carried-out in-house without the assistance of any outside agency. No additional expenditure to the exchequer is involved in this process.

The following are the TINXSYS websites :

1. <http://www.statevat.gov.in>
2. <http://www.tinxsys.com>
3. <http://www.vinxsys.com>

Further, dealer details (only with reference to TIN) can also be verified through telephone over Interactive Voice Response System (IVRS) for which the user has to dial the Toll Free Number: 1800 2200 17.

Online tracking of inter-state trade using Tax Information Exchange System (TINXSYS) has been strengthened by providing broadband connectivity to all circles. Interface between TINXSYS and the States' VAT computerization system has been provided to enable online tracking of inter-state trade. TINXSYS website is updated regularly to monitor the inter-state

transactions and immediate steps are taken, if any deviations are found.

14. MISSION MODE PROJECT

The Mission Mode Project-Commercial Taxes (MMP-CT) of Government of India aims at creation of IT Infrastructure for ensuring uniformity and standards in Commercial Taxes administration and enabling free exchange of information. Under this scheme, the Government of India has approved a project at a total cost of Rs.47.89 crore for the Commercial Taxes Department of Tamil Nadu. The cost of the project has to be shared between the Centre and the State. The Central share is Rs.32.52 crore and the state share is Rs.15.37 crore. The Government of India has released a sum of Rs.12.35 crore as first instalment of its share in March 2010.

15. WAIVER COMMITTEE

In G.O.(D) No. 428, Commercial Taxes and Registration (D2) Department, dated 25.8.2006, the Government have constituted a Waiver Committee consisting of the following officers as Members :

1. The Secretary to Government, Finance Department.
2. The Secretary to Government, Commercial Taxes and Registration Department.
3. The Commissioner of Commercial Taxes, Chennai-5.

This Committee has been formed to examine the waiver proposals received on the grounds that the dealers have not collected tax from the consumers due to judicial pronouncements and clarifications from the Department. Three meetings have been conducted so far and 66 waiver proposals have been considered and orders have been issued in 65 cases.

16. WRITE OFF OF ARREARS

An amount of Rs.98.71 crore pending collection for the period upto 1990-1991 was considered for write off. This includes penalty of Rs.31.29 crore under the Tamil Nadu General Sales Tax Act, 1959 and Rs.6.42 crore under the Central Sales Tax Act, 1956 totalling Rs.37.71 crore. This arrear amount could not be collected inspite of the steps taken by the Department for several years and there was no scope for collection of these arrears from the dealers

whose business had been closed down. Considering the above position, the Government have issued orders in G.O.Ms.No.88, Commercial Taxes and Registration (D1) Department, dated 10.10.2008 to write off irrecoverable arrears of Tax, Surcharge, Additional Surcharge, Additional Sales Tax, Penalty and Interest accrued under Tamil Nadu General Sales Tax Act, 1959 and Central Sales Tax Act, 1956 for the period upto 1990-1991. This scheme is applicable only to the dealers wherein cases against assessment and recovery of tax are not pending in courts, where there are no immovable properties and where the business was stopped prior to 1.4.2002. The powers to write off these arrears have been delegated to the Territorial Deputy Commissioners.

17. ONE TIME SETTLEMENT SCHEME

A large number of cases with substantial amount of revenue for the Government by way of taxes, penalty and interest under the Tamil Nadu General Sales Tax Act, 1959 and the Central Sales Tax Act, 1956 were pending collection for years. With a view to expediting the collection of arrears of tax, penalty and interest arising out of

demand raised upto 31.03.2002, a scheme for settlement of arrears was introduced. The Tamil Nadu Sales Tax (settlement of arrears) Act, 2008 was enacted, and was in force from 1.11.2008 to 31.1.2009. Thereafter, Traders' Associations have represented requesting the Government to extend the time for filing of applications under this Scheme upto 31.3.2009. The request of these Associations was favourably considered by extending the time limit upto 31.3.2009, to file the applications under this Scheme. Based on further representations from the mercantile community, this scheme was further extended from 3.8.2009 to 2.11.2009. Under this scheme, as many as 10,250 applications were received and a sum of Rs.85.39 crore was collected. Among all the settlement Acts introduced in the past, the highest collection was made under this Scheme introduced in 2008.

18. TRADERS WELFARE BOARD

Tamil Nadu Traders Welfare Board was constituted during 1989, based on the announcement made by the Hon'ble Chief Minister of Tamil Nadu on the Floor of the Legislative Assembly. Tamil Nadu Traders Welfare Board is functioning with the following Members under the dynamic

leadership of the Hon'ble Chief Minister of
Tamil Nadu: -

1. Hon'ble Chief Minister - Chairman
2. Hon'ble Minister for
Commercial Taxes - Vice-Chairman
3. Official Members
 - 1) Secretary to Government, Commercial
Taxes and Registration Department.
 - 2) Commissioner of Commercial Taxes.
 - 3) Special Secretary to Government,
Finance Department.
 - 4) Secretary to Government, Labour and
Employment Department.
 - 5) Member Secretary, Additional Commissioner
(CT)/Chief Executive Officer,
Tamil Nadu Traders Welfare Board.
4. Non Official Members - 20 (Trade Members)

At the time of formation of the Tamil Nadu Traders Welfare Board, the Government sanctioned a sum of Rs.2 Crore to mete out the expenditure towards implementation of welfare schemes to the Traders. This amount was deposited in the Reserve Bank of India under Personal Deposit Account of the Tamil Nadu Traders Welfare Board and the interest accrued is also deposited in the Personal Deposit Account. At present, a sum of Rs.2,07,76,182/- (Rupees Two Crores Seven Lakhs Seventy Six Thousand One Hundred

and Eighty Two Only) is available as balance in the Personal Deposit Account. The Government is also sanctioning "Matching Grant" equivalent to the amount of life time Membership Fees of Rs.250/- per individual collected from the traders every year. Out of the interest accrued in the Personal Deposit Account maintained in the Reserve Bank of India and the "Matching Grant" sanctioned by the Government, the following welfare schemes are implemented to benefit the traders.

Nature of Welfare Scheme	Eligibility for the grant of Assistance	Amount provided (Rupees)
(a) Family Assistance	To the family members of the deceased members.	50,000/-
b) Medical Assistance	For By-Pass Surgery, and Cancer Surgery.	50,000/-
	For Medical process like dialysis, Chemotherapy, Radiation Therapy and Angioplasty	15,000/-
	-for surgery thereon	25,000/-
	For Uterus Removal Surgery for female members	20,000/-

(c) Educational Assistance	<p>For one child of the Members (either son or daughter) for college studies (except part-time Course) for each academic year.</p> <p>For Post-Graduate and Professional Courses, for each academic year.</p>	<p>5,000/-</p> <p>10,000/-</p>
(d) Assistance to Sports Persons	<p>For the Members' children who have won prizes in the sports events at</p> <p>(i) International level</p> <p>(ii) National level</p> <p>(iii) State level</p> <p>(iv) District level</p>	<p>25,000/-</p> <p>10,000/-</p> <p>5,000/-</p> <p>3,000/-</p>
(e) Assistance in case of Fire Accident	<p>Members' shops destroyed in fire accident/ natural calamities.</p>	<p>5,000/-</p>
(f) Assistance for the purchase of Bunk shops or Tri cycles.	<p>For Traders living in indigent circumstances - for the first 10 applicants in a year.</p>	<p>10,000/-</p>

(g) Assistance for meritorious students	For the Members' children who have secured higher marks in 10 th and 12 th Standard in the State	
	(i) First Rank	5,000/-
	(ii) Second Rank	3,000/-
	(iii) Third Rank	2,000/-

18.1 Details of beneficiaries

The Traders who have registered themselves under the erstwhile Tamil Nadu General Sales Tax Act, 1959 and now the Tamil Nadu Value Added Tax Act, 2006, alone are enrolled as Members in the Tamil Nadu Traders' Welfare Board. 45,719 Traders have become Members as on 31.3.2010. The Members of the Tamil Nadu Traders Welfare Board are issued with Identity Card. A sum of Rs.91.37 lakhs has been granted to 480 Members so far. Details of beneficiaries are as follows :

Sl. No.	Welfare Scheme	No. of Members benefited	Amount (Rs. in lakhs)
1	Family Assistance	315	78.35
2	Medical Assistance	38	8.51
3	Educational Assistance	86	2.46
4	Fire Assistance	29	1.45
5	Sports Assistance	2	0.15
6	Higher Education Assistance	6	0.20
7	Physically handicapped Assistance	2	0.15
8	Marriage Assistance (At present dispensed with)	2	0.10
	TOTAL	480	91.37

18.2 Website

A website " www.tntwb.gov.in " of the Tamil Nadu Traders Welfare Board has been launched so that the members of the board and other public can get information

on the services rendered by the Board easily.

19. GRIEVANCE REDRESSAL MECHANISM

19.1 Grievance Cell

A grievance cell is functioning from the year 1999 in the Office of the Commissioner of Commercial Taxes to provide a forum for traders to represent their grievances. The cell is headed by Joint Commissioner (Administration) as Chairman and Additional Commissioner (Suo Motu Revision) & Additional Commissioner (Public Relations) as members.

19.2 Interactive Voice Recording System

An Interactive Voice Recording System is functioning in the office of the Commissioner of Commercial Taxes to receive suggestions, grievances and complaints for better administration of the Department and to receive details of tax evasion. A separate direct telephone line with No.044-28520535 has been provided for this purpose.

20. STEPS TAKEN FOR EFFICIENT FUNCTIONING OF COMMERCIAL TAXES DEPARTMENT

20.1 Cash Reward to informers

A scheme to reward private citizens coming up with valuable information on tax evasion and tax fraud has been evolved with a corpus fund of Rs. one lakh operated by the Commissioner of Commercial Taxes. Under the scheme, valuable information received are mainly processed by the Enforcement Wing for using it in the assessments. The details of the informers are kept confidential and they are also rewarded appropriately.

20.2 Provision of Cell Phones

Roving Squad Officials of the Enforcement Wing and Deputy Commissioners and Joint Commissioners of Enforcement Wing have been provided with cell phones for exchange of information regarding movement of vehicles and evasion of tax. Recently, 391 cell phone connections were provided to all Heads of Assessment Circles, Territorial Deputy Commissioners, Joint Commissioners and Additional Commissioners, so that the officers can

exchange information, clarify doubts and cross-verify the transactions between the dealers. The Assessing Officers can also be easily accessed by the dealers and mercantile community for clarifying doubts and smooth facilitation of trade practices. This will also improve services to dealers, tax compliance and efficiency of tax administration.

20.3 Provision of New Vehicles

32 new vehicles have been sanctioned by the Government and they were allotted to the concerned offices to replace old and condemned vehicles.

20.4. Construction of Buildings:

A new building to house Commercial Taxes Offices at Hosur has been constructed at a cost of Rs.154 lakhs. A Training Centre and a Conference Hall has been constructed at Madurai at a cost of Rs.40 lakhs. Further, orders have been issued for transfer of a land measuring 63,162 sq.ft. at Hasthampatti village, Salem belonging to Public Works Department to Commercial Taxes Department for construction of an integrated office building for the Commercial Taxes Offices at Salem.

20.5 Right to Information Act, 2005

From 1.1.2009 to 31.12.2009, 241 applications under Right to Information Act, 2005 have been received and action has been taken on all the petitions.

20.6. Part-II Schemes for the year 2010-2011

Proposals for provision of furniture, Digital Copiers, Xerox machines, Telephones, Generators, etc., to various offices and for imparting training to staff at the Commercial Taxes Staff Training Institute at a total cost of Rs.50 lakhs have been approved by the Government under Part-II Schemes for the year 2010-2011.

S.N.M. UBAYADULLAH
Minister for Commercial Taxes