



**ABSTRACT**

2167

Commercial Taxes Department – Waiver – Waiver of tax and penalty payable by the dealers on works contract of picture varnish coating for the assessment year 1986 to 1998 under the Tamil Nadu General Sales Tax Act, 1959 – Orders – Issued.

**Commercial Taxes and Registration (D2) Department**

G.O.(D)No.37

**3731**

Dated: 27.01.2017

துன்முகி, தை 14

திருவள்ளூர் ஆண்டு 2048

Read:

1. G.O.P.No.634, Commercial Taxes and Religious Endowment Department, dated 26.6.1986
2. G.O.(Ms.) No.150, Commercial Taxes Department dated 15.5.1998 dated 15.5.1998
3. Minutes of the waiver committee DCII/67793/2006 dated 12.08.2014.
4. The Principal Secretary/Commissioner of Commercial Taxes, Lr.No.DCII/67793/2006, dated 22.08.2014.

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**ORDER:**

In the Government Order first read above a notification was issued for levy of tax on the transfer of property in goods involved in the execution of works contract under Section 3-B inserted by Act No.42 of 1986 with effect from 26.6.1986 under the erstwhile Tamil Nadu General Sales Tax Act, 1959.

2. In the Government Order second read above, exemption was granted in respect of tax payable by any dealer under section 3-B of the Tamil Nadu General Sales Tax Act, 1959 in the execution of works contract of picture varnish coating subject to the condition that the raw materials used in the said works contracts should have been purchased within the State and that the tax due under the said Act should have already been levied and collected as such commodities, with effect from 4.5.1998.

3. In the reference fourth read above the Principal Secretary/Commissioner of Commercial Taxes has stated that Tvl. Sivakasi Picture varnish Coaters' Association, Sivakasi represented that varnish coating on the paintings and pictures may be treated on par with printing ink and soap and chemicals used in dyeing works contract and requested to waive tax for the period from 26.6.1986 to 4.5.1998 by amending Government Order second read above. After examination of the request, he has sent waiver proposal for the eligible 20 dealers in respect of picture varnish coating for the

period from 26.6.1986 to 4.5.1998 under the Tamil Nadu General Sales Tax Act, 1959 as detailed below :

Amount in Rs.

No. of dealers	Tax (Rs.)	Surcharge (Rs.)	Additional Sales Tax (Rs.)	Penalty (Rs.)	Total (Rs.)
20	36,29,114	4,39,600	75,037	5,29,863	46,73,614
Less: Contingent Deposit					6,15,665
<b>Amount to be waived</b>					<b>40,57,949/-</b>

He has also certified that the amount furnished above is final and no other amount is pending to be waived in this issue.

4. The minutes of the Waiver Committee in the reference third read above reveals that the Principal Secretary/ Commissioner of Commercial Taxes has placed the waiver proposal before the waiver committee constituted vide G.O.(D) No.428, Commercial Taxes and Registration (D2) Department, dated 25.08.2006 for its decision as follows:-

"Considering the fact that the earlier request of the petitioners for waiver of tax for the period from 26.6.1986 to 4.5.1998 was rejected by the Government on the ground that the issue is pending before the Hon'ble High Court of Madras and further the petitioners had withdrawn all the cases pending before the various appellate forums, the request of the Association for waiver of an amount of Rs.40,57,949/- (Rupees Forty lakh fifty seven thousand nine hundred and forty nine only) in respect of tax and penalty payable by the dealers on works contract of picture varnish coating for the period from 26.6.1986 to 4.5.1998."

The Waiver Committee has agreed the above waiver proposal.

5. As the Waiver Committee has agreed to the above proposal, the Principal Secretary/Commissioner of Commercial has requested to issue waiver orders in the reference fourth read above.

6. The Government after careful examination, have decided to accept the decision of the waiver committee and hereby waive an amount of Rs.40,57,949/- (Rupees Forty lakh fifty seven thousand nine hundred and forty nine only) being the tax, Surcharge, Additional Sales Tax and penalty payable under the Tamil Nadu General Sales Tax Act, 1959 by 20 dealers in respect of picture varnish coating for the period from 26.6.1986 to 4.5.1998, under item 7 of Appendix 21 of Chapter-II of the Tamil Nadu Financial Code Volume-II.

7. This order issues with the concurrence of the Finance department vide its U.O.No.36495 /Revenue/2016, dated 08.08.2016.

(By Order of the Governor)

Dr C. CHANDRAMOULI  
ADDITIONAL CHIEF SECRETARY (FAC)

To

✓ The Additional Chief Secretary/ Commissioner of Commercial Taxes, Chennai – 5

The Joint Commissioner concerned,  
(through the Additional Chief Secretary/ Commissioner of Commercial Taxes, Chennai – 5)

Tvl. Sivakasi Picture varnish Coaters' Association, Sivakasi


The Principal Accountant General, Chennai – 8

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The Finance (Revenue) Department, Chennai – 9

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//Forwarded by Order//

  
Section Officer  
12/12