



TAMILNADU GOVERNMENT GAZETTE

EXTRAORDINARY PUBLISHED BY AUTHORITY

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Part IV– Section 2

Tamil Nadu Acts and Ordinances

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The following Act of the Tamil Nadu Legislative Assembly received the assent of the Governor on the 28th November 2008 and is hereby published for general information—

ACT No.49 OF 2008

An Act further to amend the Tamil Nadu Value Added Tax Act, 2006.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Fifty-ninth Year of the Republic of India as follows:--

1. (1) This Act may be called the Tamil Nadu Value Added Tax (Second Amendment) Act, 2008.

Short title and
commencement

(2) It shall be deemed to have come into force on the 18th day of June 2008.

Tamil Nadu Act
32 of 2006.

2. In section 3 of the Tamil Nadu Value Added Tax Act, 2006 (hereinafter referred to as the principal Act), for sub-section (4), the following sub-section shall be substituted, namely:-

Amendment of
section 3.

"(4) (a) Notwithstanding anything contained in sub-section (2), but subject to the provisions of sub-section (1), every dealer, who effects second and subsequent sales of goods purchased within the State, whose turnover relating to taxable goods, for a year, is less than rupees fifty lakhs may, at his option, instead of paying tax under sub-section (2), pay a tax, for each year, on his turnover relating to taxable goods at such rate not exceeding one per cent, as may be notified by the Government. Such option shall be exercised by a dealer,--

(i) Who commences business, within thirty days from the date of commencement of the business;

(ii) Whose turnover relating to taxable goods is below rupees fifty lakhs during the previous year, on or before the 30th day of April of the year for which he exercises such option;

(iii) for the year 2008-2009, within thirty days from the date of commencement of the Tamil Nadu Value Added Tax (Second Amendment) Act, 2008:

Provided that such dealer shall not collect any amount by way of tax or purporting to be by way of tax:

Provided further that such dealer shall not be entitled to input tax credit on the goods purchased by him:

Provided also that the dealer who purchased goods from such dealer shall not be entitled to input tax credit on the goods purchased by him.

(b) If the turnover relating to taxable goods of a dealer paying tax under clause (a), in a year, reaches rupees fifty lakhs at any time during that year, he shall inform the assessing authority in writing within seven days from the date on which such turnover has so reached. Such dealer is liable to pay tax under sub-section (2) on all his sales of rupees fifty lakhs and above and he is entitled to the input tax credit on the purchases made from the date, and on the stock available with him, the purchases of which has been made within ninety days before the date, on which such turnover has reached rupees fifty lakhs;

Provided that such dealer whose turnover relating to taxable goods has reached rupees fifty lakhs during the previous year shall not be entitled to exercise such option for subsequent years.

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3. In section 21 of the principal Act, for the expression "Every dealer, liable to pay tax under this Act", the expression "Every dealer, registered under this Act" shall be substituted.

Amendment of
section 21.

Insertion of new
section 87-A

4. After Section 87 of the principal Act, the following section shall be inserted, namely:--

"87-A. *Assessment of sales in certain cases.*—Notwithstanding anything contained in this Act, the assessment of a dealer under the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959) or under the Tamil Nadu Additional Sales Tax Act, 1970 (Tamil Nadu Act 14 of 1970), in respect of the assessment for the period from the 1st day of April 2006 to the 31st day of December 2006, shall be on the basis of the return filed by him and such return shall be accepted in accordance with the rules as may be prescribed."

Repeal and
Saving.

5. (1) The Tamil Nadu Value Added Tax (Second Amendment) Ordinance, 2008 is hereby repealed.

Tamil Nadu
Ordinance
1 of 2008

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

(By order of the Governor)

S. DHEENADHAYALAN,
Secretary to Government,
Law Department.

TAMIL NADU GOVERNMENT GAZETTE EXTRAORDINARY

The following Act of the Tamil Nadu Legislative Assembly received the assent of the Governor on the 28th November 2008 and is hereby published for general information:-

ACT No.50 OF 2008.

An Act further to amend the Tamil Nadu Value Added Tax Act, 2006.

BE, it enacted by the Legislative Assembly of the State of Tamil Nadu in the Fifty-ninth Year of the Republic of India as follows:-

1. (1) This Act may be called the Tamil Nadu Value Added Tax (Third Amendment) Act, 2008.

Short title and
commencement.

(2) It shall be deemed to have come into force on the 1st day of July 2008.

Tamil Nadu Act
32 of 2006.

2. In the Second Schedule to the Tamil Nadu Value Added Tax Act, 2006, in the entries in column (2) against item 3 in column (1) thereof, for the expression "the Indian Tariff Act, 1934 (Central Act 32 of 1934)," the expression "the Customs Tariff Act, 1975 (Central Act 51 of 1975)" shall be substituted.

Amendment of
Second
Schedule.

(By order of the Governor)

S. DHEENADHAYALAN.
Secretary to Government.
Law Department.

TAMIL NADU GOVERNMENT GAZETTE EXTRAORDINARY

The following Act of the Tamil Nadu Legislative Assembly received the assent of the Governor on the 29th November 2008 and is hereby published for general information:--

ACT No.60 OF 2008.

An Act to provide for settlement of arrears of tax, penalty or interest pertaining to sales tax and the matters connected therewith or incidental thereto.

Tamil Nadu Act
1 of 1959.
Tamil Nadu Act
24 of 1971.
Tamil Nadu Act
14 of 1970.
Central Act
74 of 1956.

Whereas, it is expedient to provide for settlement of arrears of tax, penalty or interest, as the case may be, under the repealed Tamil Nadu General Sales Tax Act, 1959, the repealed Tamil Nadu Sales Tax (Surcharge) Act, 1971, the repealed Tamil Nadu Additional Sales Tax Act, 1970 and the Central Sales Tax Act, 1956.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Fifty-ninth Year of the Republic of India as follows:-

1. (1) This Act may be called the Tamil Nadu Sales Tax (Settlement of Arrears) Act, 2008.

Short title,
extent and
commencement.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It shall be deemed to have come into force on the 1st day of November, 2008.

2. (1) In this Act, unless the context otherwise requires,--

Definitions.

(a) "applicant" means a dealer as defined in the relevant Act;

(b) "arrears of tax, penalty or interest" means--

(i) tax including additional sales tax, surcharge, additional surcharge and central sales tax, payable by an applicant upon assessment under the relevant Act; or
(ii) penalty payable by an applicant under the relevant Act; or
(iii) interest payable by an applicant under the relevant Act

as the case may be, for which assessment has been made prior to the 1st day of April 2002 under the relevant Act, and pending collection on the date of filing of application under this Act;

(c) "designated authority" means an authority appointed under section 3;

(d) "Government" means the State Government;

(e) "relevant Act" means,--

(i) the repealed Tamil Nadu General Sales Tax Act, 1959;
(ii) the repealed Tamil Nadu Sales Tax (Surcharge) Act, 1971;
(iii) the repealed Tamil Nadu Additional Sales Tax Act, 1970;
(iv) the Central Sales Tax Act, 1956

Tamil Nadu Act
1 of 1959.
Tamil Nadu Act
24 of 1971.
Tamil Nadu Act
14 of 1970.
Central Act 74
of 1956.

and includes the rules made or notifications issued thereunder.

(2) Unless there is anything repugnant to the subject or context, all expressions used in this Act, which are not defined, shall have the same meaning as defined or used in the relevant Act.

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Tamil Nadu Act
32 of 2006.

3. For carrying out the purposes of this Act, the Government may, by notification, appoint one or more authorities referred to in section 48 of the Tamil Nadu Value Added Tax Act, 2006, to be the designated authority and such authority shall exercise jurisdiction over such area or areas as the Government may specify in the notification.

Designated
authority.

Eligibility for
settlement

4. Subject to the other provisions of this Act, an applicant may make an application for settlement of arrears of tax, penalty or interest in respect of which assessment has been made under the relevant Act, prior to the 1st day of April 2002, against which an appeal or revision is not pending before any court on the date of filing application.

Application for
settlement.

5. (1) An application for the purpose of section 4 shall be made to the designated authority by an applicant within three months from the date of commencement of this Act or by such later date as the Government may, by notification, specify, from time to time, in such form, and in such manner, as may be prescribed, with proof of payment of the amount payable at the rates specified in section 7.

(2) A separate application shall be made for each assessment year.

(3) The applicant shall send a copy of the application made under sub-section (1) to the assessing authority, appellate authority or revisional authority under the relevant Act, before whom any proceeding or appeal or revision, as the case may be, is pending, within seven days from the date of making such application before the designated authority.

Determination
of amount
payable by
the
application.

6. (1) The designated authority shall verify the correctness of the particulars furnished in the application made under section 5 with reference to all relevant records and determine the amount payable at the rates specified in section 7.

(2) The designated authority shall demand further amount payable by the applicant in the form prescribed, if the amount paid by the applicant along with application falls short of not more than ten per cent of the amount determined under sub-section (1).

(3) If the applicant has not paid ninety per cent of the amount payable under section 7 along with the application, the designated authority shall summarily reject the application.

(4) The amount determined under sub-section (1) shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee, and, if such part is fifty paise or more, it shall be rounded off to the nearest rupee, and if such part is less than fifty paise, it shall be ignored.

Rate applicable
in
determining
amount
payable

7. The amount payable by the applicant and to be waived shall be determined as follows:-

(a) Where it relates to arrears of tax which was assessed on the best of judgement due to non production of accounts with corresponding arrears of penalty and interest, the applicant shall pay one third of arrears of tax pending collection on the date of application along with interest calculated at six percent per annum on the arrears of tax and on such payment of tax, the balance of tax and interest and the entire penalty shall be waived.

(b) Where it relates to arrears of tax which was in excess of the tax admitted as per the returns filed for the year with the corresponding arrears of penalty and interest, the applicant shall pay one third of such arrears of tax pending collection on the date of application along with the interest at six per cent per annum on the arrears of tax and on such payment of tax, the balance of tax and interest and the entire penalty shall be waived.

(c) Where it relates to arrears of tax, which was admitted as tax due as per returns filed for the year with corresponding arrears of penalty and interest, the applicant shall pay the entire arrears of tax pending collection along with interest at six per cent per annum and on such payment, the balance of interest and the entire penalty shall be waived.

(d) where it relates to arrears of penalty or interest or both and where there is no corresponding arrears of tax pending collection on the date of application, the applicant shall pay ten percent of the penalty and twenty-five per cent of interest, the balance of penalty and interest shall be waived.

8. (1) The designated authority shall, on being satisfied about the payment of the amount determined under sub-section (1) of section 6, by an order, settle the arrears of tax, penalty or interest and issue a certificate in such form as may be prescribed, and thereupon, the applicant shall be discharged from his liability to make payment of the balance amount of such arrears of tax, penalty or interest. Separate certificate shall be issued in respect of each application.

Settlement of
arrears and issue
of certificate.

(2) The designated authority, for reasons to be recorded in writing, may refuse to settle the arrears of tax, penalty or interest:

Provided that no order under this sub-section shall be passed without giving the applicant a reasonable opportunity of showing cause against such refusal.

(3) The authority notified by the Government in this behalf may, at any time within ninety days from the date of issue of certificate under sub-section (1) by the designated authority, modify the certificate by rectifying any error apparent on the face of the record:

Provided that no such rectification adversely affecting the applicant shall be passed without allowing the applicant a reasonable opportunity of showing cause against such rectification.

9. A certificate issued under section 8 shall be conclusive as to the settlement to which it relates, and no matter covered by such certificate shall be re-opened in any proceeding of review or revision, or in any other proceeding, under the relevant Act.

Bar on re-opening
of settled cases.

10. Notwithstanding anything to the contrary contained in any provision in the relevant Act, any proceeding or appeal or revision for any period pending before the assessing authority or appellate authority or revisional authority, as the case may be, under the relevant Act in respect of which a certificate is issued under section 8, shall be deemed to have been withdrawn from the date of making of the application by the applicant under sub-section (1) of section 5. any order passed by the assessing authority or appellate authority or revisional authority subsequent to the date of filing of application for settlement of arrears of tax, penalty or interest, resulting in claim for refund of amount paid upto the time of settlement of such arrears of tax, penalty or interest under this Act, will not be taken into consideration.

Withdrawal of
appeal and
revision.

11. No authority shall proceed to decide in any proceeding or appeal or revision under the relevant Act relating to any assessment year in respect of which a copy of the application has been received under sub-section (3) of section 5:

Authority not to
proceed in
certain cases.

Provided that such authority shall proceed to decide such proceeding or appeal or revision in accordance with the provisions of the relevant Act, if a certificate referred to in sub-section (1) of section 8 is refused to the applicant by an order passed by the designated authority under sub-section (2) of section 8.

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12. (1) Notwithstanding anything contained in section 9 or section 10, where it appears to the designated authority that an applicant has obtained the certificate under section 8 by suppressing any material information or particulars or by furnishing any incorrect or false information or particulars, such designated authority, may, within a period of two years from the date of issue of the said certificate, for reasons to be recorded in writing and after giving the applicant a reasonable opportunity of showing cause, revoke the certificate issued under sub-section (1) of section 8.

Revocation of certificate.

(2) If a certificate is revoked under sub-section (1), any proceeding or appeal or revision, as the case may be, under the relevant Act, covered by such certificate shall, notwithstanding the provisions of section 9 or section 10, stand revived or reinstated immediately upon such revocation, and such proceeding or appeal or revision shall be decided in accordance with the provisions of the relevant Act, as if no settlement of the arrears of tax, penalty or interest in such proceeding or appeal or revision has ever been made under this Act.

(3) In the case of revocation of a certificate in accordance with sub-section (1), the amount paid by the applicant under section 6 shall be treated as payment towards the amount payable under the relevant Act for the period for which the certificate has been revoked.

Information to be sent to authorities under relevant Act.

13. The designated authority shall inform the assessing authority or appellate authority or revisional authority, as the case may be, under the relevant Act, who for the time being, has jurisdiction over the applicant under the relevant Act,--

- (a) the fact of making of an application by the applicant under section 5;
- (b) the fact of passing of any order by the designated authority under section 8;
- (c) the fact of revocation of any certificate under section 12; and
- (d) such other matters as it may deem necessary

in such form, in such manner, and within such time, as may be prescribed.

Power to remove difficulties.

14. If any difficulty arises in giving effect to any of the provisions of this Act, the Government may, by order, not inconsistent with the provisions of this Act, remove such difficulty.

Provided that no such order shall be made after the expiry of one year from the date of coming into force of this Act.

Power to make rules.

15. (1) The Government may, make rules, whether prospectively or retrospectively, for carrying out the purposes of this Act.

(2) (a) All rules made under this Act shall be published in the *Tamil Nadu Government Gazette* and unless they are expressed to come into force on a particular day, shall come into force on the day, on which they are so published.

(b) All notifications issued under this Act shall, unless they are expressed to come into force on a particular day, come into force on the day on which they are so published.

(3) Every rule made and every notification issued under this Act and every order made under section 14 shall, as soon as possible after it is made or issued, be placed on the table of the Legislative Assembly and if before the expiry of the session in which it is so placed or the next session, the Assembly makes any modification in any such rule or notification or order or

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the Assembly decides that the rule or notification or order should not be made or issued, the rule or notification or order shall thereafter have effect only in such modified form or be of no effect, as the case may be. So, however, that any such modification or annulment shall be, without prejudice to the validity of anything previously done under that rule or notification or order.

Repeal and
Saving.

16. (1) The Tamil Nadu Sales Tax (Settlement of Arrears) Ordinance, 2008 is hereby repealed.

Tamil Nadu
Ordinance 7 of
2008.

(2) Notwithstanding such repeal anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

(By order of the Governor)

S. DHEENADHAYALAN.
Secretary to Government.
Law Department.