

F. No.34/135/2005-ST
Government of India
Ministry of Finance
Department of Revenue

New Delhi, the 2nd April, 2007

To

✓ The Commissioners of Commercial Taxes/ Sales Tax/ VAT of all States/ UTs.

Subject: Phasing out of CST – Taxation Laws (Amendment) Act, 2007 and Notification issued thereunder.

Sir/ Madam,

Kindly find enclosed herewith a copy of the Taxation Laws (Amendment) Act, 2007 and Notification issued thereunder, as published in the Official Gazette. **It may be noted that the provisions of the Act have come into force on 01.04.2007.** This is in continuation to our earlier letter of even number dated 21.03.2007 on the above subject.

2. This is for your kind information and further appropriate action.

Thanking you,

Yours faithfully,


(L. K. Gupta)
Joint Secretary (State Taxes)
Tel.: 011-2309 2878

Copy to:

1. Shri Satish Chandra, Member Secretary, EC.
2. The Finance Secretaries of all States/ UTs.

रजिस्ट्री से रखा है—(एन)04/0007/2006—08

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भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 21] नई दिल्ली, बुधवार, मार्च 28, 2007 / चैत्र 7, 1929
No. 21] NEW DELHI, WEDNESDAY, MARCH 28, 2007 / CHAITRA 7, 1929

इस भाग में बिना पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE (Legislative Department)

New Delhi, the 28th March, 2007/Chaitra 7, 1929 (Saka)

The following Act of Parliament received the assent of the President on the 26th March, 2007, and is hereby published for general information:—

THE TAXATION LAWS (AMENDMENT) ACT, 2007

No. 16 of 2007

[26th March, 2007.]

An Act further to amend the Central Sales Tax Act, 1956 and the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

Enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 2007.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title
and com-
mencement.

CHAPTER II

CENTRAL SALES TAX

74 of 1956

Amendment
of section 6

2. In the Central Sales Tax Act, 1956 (hereinafter in this Chapter referred to as the principal Act), in section 6, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) Notwithstanding anything contained in sub-section (1) of sub-section (1A), where a sale of any goods in the course of inter-State trade or commerce has either occasioned the movement of such goods from one State to another or has been effected by a transfer of documents of title to such goods during their movement from one State to another, any subsequent sale during such movement effected by a transfer of documents of title to such goods to a registered dealer, if the goods are of the description referred to in sub-section (3) of section 8, shall be exempt from tax under this Act:

Provided that no such subsequent sale shall be exempt from tax under this sub-section unless the dealer effecting the sale furnishes to the prescribed authority in the prescribed manner and within the prescribed time or within such further time as that authority may, for sufficient cause, permit,—

(a) a certificate duly filled and signed by the registered dealer from whom the goods were purchased containing the prescribed particulars in a prescribed form obtained from the prescribed authority; and

(b) if the subsequent sale is made to a registered dealer, a declaration referred to in sub-section (4) of section 8.

Provided further that it shall not be necessary to furnish the declaration referred to in clause (b) of the preceding proviso in respect of a subsequent sale of goods if,—

(a) the sale or purchase of such goods is, under the sales tax law of the appropriate State exempt from tax generally or is subject to tax generally at a rate which is lower than three per cent. or such reduced rate as may be notified by the Central Government, by notification in the Official Gazette, under sub-section (1) of section 8 (whether called a tax or fee or by any other name); and

(b) the dealer effecting such subsequent sale proves to the satisfaction of the authority referred to in the preceding proviso that such sale is of the nature referred to in this sub-section."

Amendment
of section 7.

3. In section 7 of the principal Act, in sub-section (2A), for the words, brackets, letter and figures "clause (a) of sub-section (4) of section 8", the words, brackets and figures "sub-section (4) of section 8" shall be substituted.

Amendment
of section 8.

4. In section 8 of the principal Act,—

(a) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) Every dealer, who in the course of inter-State trade or commerce, sells to a registered dealer goods of the description referred to in sub-section (3), shall be liable to pay tax under this Act, which shall be three per cent. of his turnover or at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State, whichever is lower:

Provided that the Central Government may, by notification in the Official Gazette, reduce the rate of tax under this sub-section.

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THE GAZETTE OF INDIA EXTRAORDINARY

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(2) The tax payable by any dealer on his turnover in so far as the turnover or any part thereof relates to the sale of goods in the course of inter-State trade or commerce not falling within sub-section (1), shall be at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State.

Explanation.—For the purposes of this sub-section, a dealer shall be deemed to be a dealer liable to pay tax under the sales tax law of the appropriate State, notwithstanding that he, in fact, may not be so liable under that law.

(b) in sub-section (3), in the opening portion, for the words, brackets, figure and letter "The goods referred to in clause (b) of sub-section (1)", the following shall be substituted, namely:—

"The goods referred to in sub-section (1).—";

(c) for sub-section (4), the following shall be substituted, namely:—

"(1) The provisions of sub-section (1) shall not apply to any sale in the course of inter-State trade or commerce unless the dealer selling the goods furnishes to the prescribed authority in the prescribed manner a declaration duly filled and signed by the registered dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority;

Provided that the declaration is furnished within the prescribed time or within such further time as that authority may, for sufficient cause, permit";

(d) in sub-section (5), in clauses (a) and (b), the words "or the Government" and the words, brackets and figure "or sub-section (2)", wherever they occur, shall be omitted.

5. In section 9 of the principal Act, in sub-section (1), in the proviso, in clause (a), for the words, letter, brackets and figures "clause (a) of sub-section (4) of section 8", the words, brackets and figures "sub-section (4) of section 8" shall be substituted. Amendment of section 9.

6. In section 10 of the principal Act, in clause (a), the words "certificate or" shall be omitted. Amendment of section 10.

7. In section 10A of the principal Act, in sub-section (2), in clause (a), for the words, letter, brackets and figures "clause (a) of sub-section (4) of section 8", the words, brackets and figures "sub-section (4) of section 8" shall be substituted. Amendment of section 10A.

8. In section 14 of the principal Act, clause (ix) shall be omitted. Amendment of section 14.

CHAPTER III

ADDITIONAL DUTIES OF EXCISE

58 of 1957.

9. In the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act), section 4 shall be omitted. Omission of section 4.

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THE GAZETTE OF INDIA EXTRAORDINARY [PART II—SEC. 1]Amendment
of First
Schedule.

10. In the Additional Duties of Excise Act, in the First Schedule, headings 2401, 2402 and 2403, and sub-headings and tariff items thereunder, and the entries relating thereto shall be omitted.

Omission of
Second
Schedule.

11. In the Additional Duties of Excise Act, the Second Schedule shall be omitted.

K. N. CHATURVEDI
Secy. to the Govt. of India.

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भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

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नई दिल्ली, बुध्दस्मृतिवार, मार्च 29, 2007 / चैत्र 8, 1929

NEW DELHI, THURSDAY, MARCH 29, 2007/CHAITRA 8, 1929

वित्त मंत्रालय

(राजस्व विभाग)

अधिसूचना

नई दिल्ली, 29 मार्च, 2007

का. आ. 464(अ).—कराधान कानून (संशोधन) अधिनियम, 2007 (2007 का 16) की धारा 1 की उप-धारा (2) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्रीय सरकार एतद्वारा अप्रैल, 2007 के प्रथम दिन को उस तारीख के रूप में नियुक्त करती है जिस दिन उक्त अधिनियम प्रवृत्त होगा।

[सं. 1/2007-सी.एस.टी.-फा. सं. 34/135/2005-एस.टी.]

आर. जी. छाबड़ा, अवर सचिव

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 29th March, 2007

S. O. 464(E).—In exercise of the powers conferred by Sub-section (2) of Section 1 of the Taxation Laws (Amendment) Act, 2007 (16 of 2007), the Central Government hereby appoints the 1st day of April, 2007, as the date on which the said Act shall come into force.

[No. 1/2007-CST-F.No. 34/135/2005-ST]

R. G. CHHABRA, Under Secy.

1884/CH/2007

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