

Dated: 29.9.2008.

C I R C U L A R

Sub: TNVAT Act, 2006 – Issue of clarifications to the dealers
under TNVAT Act – Certain instructions - Regarding.

Under the TNGST Act, clarifications were issued by the Commissioner of Commercial Taxes under Section 28-A of the Act. Though, there is no similar statutory provision under TNVAT Act, to remove the difficulties faced by the dealers in understanding the provisions of VAT Act, Rules and Schedules in the transitional period, clarifications are issued by the Commissioner of Commercial Taxes administratively. So far 1509 clarifications have been issued. The TNVAT Act and Rules, Government Notifications issued under TNVAT Act, Commodity Rates, Commodity Rate search, Commodity Code, VAT clarifications and Circulars issued by the Commissioner of Commercial Taxes are available in the Department website.

2. Now, 20 months have passed after the introduction of VAT. Most of the transitional issues have been settled and clarifications have been issued clearing almost all the doubts regarding rate of tax and other procedural aspects of the Act and Rules. However, letters seeking clarification on frivolous matters are continued to be received by this office. Most of the clarifications sought now are of the following nature:-

- (i) Clarification already issued to the same commodity, but the dealer wants to have a clarification issued in his name.
- (ii) Clarifications seeking confirmation of Entries in the Schedule.
- (iii) Clarification on the same commodity to enable to have an interpretation in favour of the petitioner.
- (iv) Clarification on the assessment procedure.
- (v) Clarifications seeking confirmation of the method of filing return / calculations.
- (vi) Petitions seeking intervention of the provisional assessment proceedings.
- (vii) Clarifications sought from STPs, Accountants, Auditors and Advocates.

3. In view of the above facts, to provide a statutory mechanism for clarification, proposals have been sent to the Government for creating an Authority for Clarification and Advance Ruling under TNVAT Act. In the meanwhile, till necessary amendment is made to the Act, it has been decided to forward the letters seeking clarification received in this office to the Territorial Joint Commissioners concerned. Joint Commissioners in turn will forward the same to the assessment circles concerned and instruct the Assessing Officers to give necessary clarification based on the provisions of the TNVAT Act & Rules, Government Notifications and the earlier clarifications issued from this office. If the dealer is not satisfied with the clarification given by the Assessing Officer, they may be further clarified by the Territorial Joint Commissioners. Even then the dealers are not convinced of the clarification issued by the Territorial Joint Commissioner, they may seek clarification with Principal Secretary / Commissioner of Commercial Taxes.

4. Further, the Territorial Joint Commissioners are directed to convene monthly meeting of dealers' associations of their jurisdiction at zonal / district level to redress their grievances, if any.

The above procedure comes into effect immediately. The receipt of this Circular may be acknowledged by return of mail.

Sd./ T. Jacob,
Principal Secretary /
Commissioner of Commercial Taxes.

To
All Joint Commissioners (CT) (Territorial)
Copy to all Additional Commissioners in CCT 's office.
Copy to all Deputy Commissioners (CT) (Territorial)
Stock file.

// Forwarded / By Order //

ADDL. COMMISSIONER (VAT) (FAC)