

Dated : 23. 11.2011

**CIRCULAR**

SUB : Tamil Nadu Value Added Tax Act, 2006 – Clarification  
regarding exemption on Agricultural Implements –  
Circular instructions issued – Regarding.

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Section 15 of TNVAT Act states that sale of goods specified in the Fourth Schedule and the goods exempted by notification by the Government by any dealer shall be exempted from tax.

The entry in serial no 1 of part B to the Fourth Schedule reads as follows:

“Agricultural implements manually operated or animal driven as notified by Government is exempted from tax”

The following goods have been notified as falling under this item by notification no. II (1) / CTR / (a-4) / 2007 – G.O. no. 3 dated 1<sup>st</sup> January 2007:-

**I. Agricultural implements manually operated**

- (1) Crow bar
- (2) Spades
- (3) Sickles
- (4) Knives
- (5) Rotary hoes
- (6) Shovels
- (7) Hand operated sprayers and dusters
- (8) Kozhu
- (9) Koonthalam
- (10) Pick axe
- (11) Digging fork
- (12) Mamoty fork
- (13) Subsoil injector
- (14) Levellers
- (15) Hoes

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- (16) Sledge Hammer
  - (17) Direct Paddy Seeder
  - (18) Wet land weeder

**II. Agricultural implements animal driven**

- (1) All makes of country ploughs
- (2) Kamalai Thoni
- (3) Thoporai valayam
- (4) Iron water shifting cover
- (5) Levellers

The entry in serial number 2 of part B to the First Schedule on which tax imposed at 5% reads as follows:

“Agricultural implements not operated manually or not driven by animal, sprayers, sprinklers and drip irrigation equipments including their parts and accessories.”

However the entries in serial number 2 to part B of First Schedule was omitted by notification number II (1) / CTR / 12 (R-13) / 2011 with effect from 12.7.2011 and the said entry was taken to serial number 1 (i) of part B to Fourth Schedule. This would mean that the commodities taxed at 5% hitherto will be totally exempted from tax.

From the above it may be clear that agricultural implements as specified in serial number 1 (i) and (ii) of part B of Fourth Schedule are exempted from tax.

It is also informed that tractors of all kinds and other items enumerated in serial number 140 of part B to First Schedule continues to be taxable at 5%;

- 140. (i) Tractors of all kinds (excluding crawler tractors), and articles (excluding batteries) adapted for use, generally as parts and accessories of tractors and tools and implements used therewith.
- (ii) Trailers of tractors of all kinds.
- (iii) Power tillers, threshers, combined harvesters and transplanter and
- (iv) attachments and parts of (i), (ii) & (iii)

It has now been brought to the Principal Secretary/Commissioner of Commercial Taxes that some of the department official are misinterpreting the provisions and subjecting the agricultural implements to tax which is not correct.

All the officers are hereby informed that exemption is available to all kinds of agricultural implements as enumerated under item 1(i) and (ii) of part B to Fourth Schedule and in no circumstances such commodities should be subjected to tax.

Sd/- Hemant Kumar Sinha  
Principal Secretary /  
Commissioner of Commercial Taxes

//forwarded by order//

  
Commercial Tax Officer

To

1. All the Joint Commissioners (CT) (Territorial including LTU, Enforcement, ISIC & MoU Cell)
2. All Deputy Commissioners (Territorial, Enforcement & Mou Cell)
3. All the Head of the Assessment Circles.
4. All Checkpost Officers.

**Copy to**

1. All the Additional Commissioners in the O/o the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, Chennai-5
2. Joint Commissioner (Admn) (FAC), O/o the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, Chennai-5
3. All Joint Commissioners (CT), Deputy Commissioners (CT) & Assistant Commissioners (CT) in the O/o the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, Chennai-5
4. The Joint Commissioner (Computer Systems) Chennai-6 for uploading in the intranet and internet websites.
5. The Director, Commercial Taxes Staff Training Institute, Chennai-6
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