

COMMERCIAL TAXES DEPARTMENT

From

THIRU T. JACOB, I.A.S.,
Commissioner of Commercial Taxes,
Chepauk, Chennai-5.

To

Thiru Vivek
E Mail address:
ots@airtelbroadband.in

Lr. No. VAT Cell / 34256/ 2007 (VCC No1234), dated 17.9.2007.

Sir,

Sub: TNVAT Act, 2006 – Rate of tax clarification under CST
for certain items - requested – reg.

Ref: Letter dated 13.6.2007 from Tvl.One Touch Solutions

Tvl. One Touch Solutions have requested rate of tax clarification under the TNVAT Act 2006 for the following :

S No	Query	Reply
1	What rate of tax to be charged	Sales of tender form is taxable at 4% vide entry 105 of Part B of I Schedule
2, 3, 4	Sales to Government Department. What is the rate of tax	According to clause (i), Section 88 (3) of TNVAT Act 2006, rules, regulations, notifications, etc issued or made under TNGST Act 1959 and continuing in force on the date immediately before the commencement of VAT Act shall continue in force on or after such date in so far as they are not in consistent in the provisions of TNVAT Act or rules made there under until they are repealed or amended. Sales to Government Department is taxable at 4%
5	Item falling under 4% sold in CST without 'C' form. What is the rate	Interstate sales without 'C' form. Tax to be collected at the rate of the selling State (Local VAT rate)
6	How to arrive whether the items fall under 4% category	As per the orders of the Government, commodities have been classified in six schedules. The rate of tax applicable to the various commodities have been listed in the schedules. TNVAT Act book may be referred to ascertain the rate of tax

7	Purchased locally at 4% or 12.5% sold to CST without C form at 12.5% whether Input tax credit is allowed for such sales	With reference to rule 10(9)(a), if 'C' form is not filed, no Input tax credit tax is allowed to the dealer
8	Item purchased locally at 12.5% during March. Input tax credit claimed in March. Subsequently sold under CST without 'C' form whether still Input tax credit allowed or reversal credit to that extent of VAT claimed in March can be shown in subsequent return for the succeeding month or only revised return to be filed for March	Without C form, no Input tax credit can be allowed on the inter state sales
9	If any consumables like drill bits, welding rods , cotton waste etc., purchased after 100% pure labour contract when there is no sale component, whether Input tax credit for such inputs can be claimed	No Input tax credit for pure labour contract
10	TDS deducted wrongly on 100% labour contract by the Government Department can be adjusted in monthly VAT return or not or else how to claim refund	With reference to section 13 (b) where the dealer proves to the satisfaction of the Assessing Officer that he is not liable to pay tax under section 5, the Assessing Officer shall refund the amount deposited
11	ICF deny issuing any declaration certificate for all sale made to them with effect from 1.4.2007 as asked for under TNGST Act	Concessional rate in respect of interstate sales to Government Department against form D has been withdrawn sales to Government Department is taxable at 4%

Sd./ - G.Shanmugam
For Commissioner of Commercial Taxes

Copy submitted to the Secretary to Government,
Commercial Taxes and Registration Department, Fort St. George, Chennai-9.

// Forwarded // By Order //

COMMERCIAL TAX OFFICER (VAT)