

COMMERCIAL TAXES DEPARTMENT

From

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

To

Tvl Mannar Pharmacy,
Tittaakudi 606 106

Lr. No. VAT Cell / 38009 / 2007 (VCC No 1274), dated 22.9.2007.

Sir,

Sub: TNVAT Act, 2006 – Certain clarification under TNVAT Act 2006 for payment of tax - requested - Regarding.

Ref: Letter dated 2.9.2007 from Tvl. Mannar Pharmacy, Tittakudi. from Tvl. Mannar Pharmacy, Tittaagudi.

Tvl. Mannar Pharmacy, Tittagudi have requested rate of tax clarification for works contract under TNVAT Act 2006 for payment of tax.

It is clarified as follows:

- i) After 1.1.2007, they should have collected tax only at 4% . As seen from their representation itself, they have collected tax at 10.5% which is in contravention of the provision of the Act. They have to pay the tax whatever they collected, after deducting Input tax Credit immediately.
- ii) They should pay tax even their supplier collected tax from them. Under TNVAT Act 2006, every dealer, at every stage should pay tax after deducting the tax already paid on their purchases.

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)