

COMMERCIAL TAXES DEPARTMENT

From

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

To

Tvl. Mohankheda Furniture,
No. 493, N.H. road,,
Coimbatore – 641 001.

Lr. No. VAT Cell / 49236 /2007 (VCC No.1287) dated 4.10.2007.

Sir,

Sub: TNVAT ACT, 2006 – Rate of tax clarification under
TNVAT Act, 2006 for steel furniture - Requested by Tvl.
Mohankheda Furniture, Coimbatore -Sent – Regarding.

Ref: Letter dated 10.9.2007 from Tvl. Mohankheda Furniture,
Coimbatore-1.

Tvl. Mohankheda Furniture, Coimbatore have requested rate of tax clarification under TNVAT Act, 2006 and for refund of compounding fee levied.

It is clarified that under Notification V, the rate of tax payable on “unbranded steel furniture” (item 12) issued in G.O.Ms.No. 79, dated 23.3.2007 was reduced to 4%. Based on the above notification, clarification was issued in letter No. VAT Cell / 22390/2007 (VCC No. 554) dated 25.5.2007 that “executives steel chairs with cushions and steel chairs were taxable at 4%.

But as per the offence booked against the dealers on 24.4.2007 that they were transporting 40 Nos. of “plastic framed cushioned revolving chairs”. Therefore, the reduced rate of 4% applicable to unbranded steel chairs cannot be extended to plastic framed cushion chairs and hence the offence booked by the department was correct, and they are liable at 12.5% vide Part C of First Schedule to TNVAT Act, 2006, with effect from 1.1.2007.

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

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

// Forwarded/ By Order //

COMMERCIAL TAX OFFICER (VAT)