Bill Summary

The Taxation Laws (Amendment) Bill, 2017

- The Taxation Laws (Amendment) Bill, 2017 was introduced in Lok Sabha on March 31, 2017. It seeks to amend the Customs Act, 1962, the Customs Tariff Act, 1975, the Central Excise Act, 1944, the Finance Act, 2001, the Finance Act, 2005, and repeal provisions of few Acts.

Customs Act, 1962

- **Definition of 'Customs Area'**: Currently, under the Customs Act, 1962 imported goods remain in the 'customs area' until they are cleared by customs authorities. Customs area includes ports, airports, etc. The Bill extends the customs area to include warehouses.
- **Furnishing information to Proper Officer**: The Bill adds to a provision to the Act which requires several persons to furnish information to a proper officer under the Act (customs officer). Such persons and entities include: (i) income tax and state GST authorities, (ii) Reserve Bank of India, (iii) banks and financial institutions, (iv) stock exchanges and depositories (v) state electricity boards, (vi) Registrar of Companies, (vii) Registrar and Sub-registrar under the Registrar Act, 1908,(viii) registration authority under the Motor Vehicles Act, 1988, and (ix) Post Master General. The manner in which the information will have to be furnished will be notified by the government.
- The proper officer may serve a notice if the information is not furnished within the specified time. Further, the officer may impose a fine after 30 days of serving the notice. The fine will be of Rs 100/day, until the information is furnished.

Customs Tariff Act, 1975

- **Levy of IGST on imports:** Goods imported will be liable to pay the Integrated Good and Service Tax (IGST). IGST will be levied on the aggregate of value of the imported goods, Customs Duty levied under the Act, and any other amount chargeable under any law.
- **Levy of GST Compensation Cess on imports:** Goods imported will be liable to the GST Compensation Cess. The Cess will be levied on the aggregate of value of the imported goods, Customs Duty levied under the Act, and any other amount chargeable under any law.

Central Excise Act, 1944

- **Levy of Excise Duty:** Currently, Central Excise Duty is levied on various excisable goods such as tobacco, petroleum products, rubber, oils, vehicles, etc. This is proposed to be changed to levy duty only on a certain kind of: (i) petroleum products such as motor spirit, high speed diesel, aviation turbine fuel, and (ii) tobacco products.
- These goods on which the excise duty was levied were mentioned in the Central Excise Tariff Act, 1985. These will be moved to the Fourth Schedule of the 1944 Act. Note that the 1985 Act is proposed to be repealed under the Central Goods and Services Tax Bill, 2017.
- Currently, under the Central Excise Tariff Act, 1985, the central government has powers to change excise rates through notification in emergency circumstances. The Bill inserts a similar provision in the 1944 Act. Further, it also inserts a provision to allow the central government to amend the newly inserted Fourth Schedule through notification.

Finance Act, 2001

- The Finance Act, 2001 levies the National Calamity Contingent Duty on a variety of goods such as pan masala, tobacco products, telephones, motor vehicles, crude oil, petroleum products, among others. The Bill seeks to limit the levy only to tobacco products and crude oil.

Finance Act, 2005

- The Finance Act, 2005 levies an Additional Excise Duty on several items such as pan masala and tobacco products. The Bill removes petroleum oils, crude and other related products from this list.

Repeal of several laws

- The Bill seeks to repeal four laws which include the Sugar Cess Act, 1982 and the Jute Manufacturers Cess Act, 1983. It also repeals certain provisions of 10 laws which include the Rubber Act, 1947, the Industries (Development and Regulation) Act, 1951, and the Coal Mines (Conservation and Development) Act, 1953. Any un-collected duties (arrears) under the above Acts shall be collected by the respective collecting agencies and remitted to the Consolidate Fund of India.

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