

BILL NO. 02 OF 2012

THE DELHI VALUE ADDED TAX (AMENDMENT) BILL, 2012

A

BILL

to further amend the Delhi Value Added Tax Act, 2004.

BE it enacted by the Legislative Assembly of the National Capital Territory of Delhi in the Sixty-second year of the Republic of India as follows:-

1. **Short title, extent and commencement.**- (1) This Act may be called the Delhi Value Added Tax (Amendment) Act, 2012.  
(2) It extends to the whole of the National Capital Territory of Delhi.  
(3) It shall come into force on such date as the Government may, by notification in the official Gazette, appoint, except section 7 of this Act which shall be deemed to come into force with effect from 1<sup>st</sup> April, 2005.
2. **Amendment of section 2.**- In the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005), (hereinafter referred to as the principal Act), in section 2, in sub-section (1), in clause (zi), for the word "including", the word "excluding" shall be substituted.
3. **Amendment of section 3.**- In the principal Act, in section 3, in sub-section (4),-
  - (a) for the words "twenty eight", the words "twenty one" shall be substituted;
  - (b) in the proviso, for the number "28", the number "21" shall be substituted.
4. **Amendment of section 28.**- In the principal Act, in section 28,-
  - (a) in sub-section (1), for the words "four years", the words "one year" shall be substituted;
  - (b) in sub-section (2), for the words "four years", the words "one year" shall be substituted.

*Adulal*

5. **Amendment of section 29.**- In the principal Act, in section 29, after the second Explanation, the following Explanation shall be inserted, namely:--

"Explanation 3.- For the purposes of this Act, any return having digital signature as defined under clause (p) of sub-section (1) of section 2 of the Information Technology Act, 2000 (No.21 of 2000), shall be treated as if the return has been signed as required under this Act".

6. **Amendment of section 74.** - In the principal Act, in section 74, in sub-section (10), for the word "seven", the word "eight" shall be substituted.

7. **Amendment of section 81.**- In the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005), in section 81, in sub-section (2), after the proviso to clause (a), the following proviso shall be inserted, namely: -

"Provided further that the above proviso shall be deemed to have come into force with effect from the First day of April, 2005."

8. **Amendment of section 106.**- In the principal Act, in section 106, after sub-section (3), the following sub-section shall be added and shall be deemed to have been added with effect from the first day of April, 2005, namely:--

"(4) Notwithstanding anything contained in this Act, for the purpose of the levy, assessment, deemed assessment, reassessment, appeal, revision, review, rectification, reference, registration, collection, refund or input or credit of input tax, of allowing benefit of exemption or deferment of tax, imposition of any penalty or of interest or forfeiture of any sum, which relates to any period ending before 1st day of April, 2005 or for any other purpose whatsoever connected with or incidental to any of the purposes aforesaid, and whether or not the tax, penalty, interest or sum forfeited, if any, in relation to such proceedings, is paid before, on or after 1st day of April, 2005, the repealed Act and all rules, regulations, orders, notifications, forms and notices issued thereunder and in force immediately before 1st day of April, 2005 shall continue to have effect as if this Act has not been passed."

*Admitted*

## STATEMENT OF OBJECTS AND REASONS

To bring uniformity in the definition of purchase and sale turnover in section 2, the definition of purchase turnover is proposed to be amended.

To smoothen the tax planning and make it more efficient, time for payment of Net Tax is proposed to be reduced from 28 days to 21 days by amending section 3.

To reduce the limitation period for revision of returns and filing of objection for correction of deficiencies in return from four years to one year, section 28 is proposed to be amended.

To provide for treating any return having been digitally signed as per the provisions of clause (p) of sub-section (1) of section 2 of the Information Technology Act, 2000 (No.21 of 2000) at par with electronic return to mean returns in the Act 29 is proposed to be amended.

To further extend the period of limitation prescribed under sub-section (10) of section 74 of the DVAT Act by another year, which would mean that these appeals would have to be decided by 31.03.2013 instead of 31.03.2012, section 74 is proposed to be amended.

For conferring power on the High Court to condone the delay in filing of appeals, a proviso was inserted in the Section 81 through the Delhi Act 12 of 2010 which took effect from 1st February, 2011. While the intended purpose of the amendment was to make the provision applicable to some appeals which were dismissed by the High Court for delayed filing, before the amendment, the earlier amendment can achieve its useful purpose/objective only if the amendment is given effect retrospectively, which is being attempted through the proposed amendment in section 81.

To provide for a specific saving clause in respect of the power of revision under the Delhi Sales Tax Act, 1975, section 106 of the Delhi Value Added Tax Act, 2004 is proposed to be amended on the suggestion of the Additional Solicitor General of India.

The Bills seek to achieve the aforesaid objectives.

  
(SHEILA DIKSHIT)

CHIEF MINISTER / MINISTER OF FINANCE

NEW DELHI

DATED

FINANCIAL MEMORANDUM

The Delhi Value Added Tax (Amendment) Bill, 2012 does not involve any substantial financial implications since no outgo on new posts is anticipated from the Consolidation Fund of the National Capital Territory of Delhi.

*Detached*