

THE PUDUCHERRY VALUE ADDED TAX
(AMENDMENT) BILL, 2015

(Bill No. 5 of 2015)

A

BILL

**further to amend the Puducherry Value Added Tax
Act, 2007.**

BE it enacted by the Legislative Assembly of Puducherry in the Sixty-sixth Year of the Republic of India as follows :—

Short title and
commencement.

1. (1) This Act may be called the Puducherry Value Added Tax (Amendment) Act, 2015.

(2) (a) The provisions of sections 2 to 5 of this Act shall come into force with effect from the 1st day of April, 2015.

(b) The provisions of section 6 of this Act shall be deemed to have come into force with effect from the 29th day of December, 2014.

Amendment
of section 2.

2. In the Puducherry Value Added Tax Act, 2007 (hereinafter referred to as the Principal Act), in section 2,—

Act
No.9
of
2007.

(a) after clause (zb), the following clause shall be inserted, namely:—

“(zb-A) “quarter” means a period of three months commencing on the first day of April or the first day of July or the first day of October or the first day of January in each year;”.

(b) for the existing clause (zk), the following clause shall be substituted, namely:—

“(zk) ‘tax period’ means,—

(i) for registered dealer other than those referred to in sub-clause (ii), a period of calendar month,

(ii) for registered dealer who has been permitted to pay tax under sub-section (1) of section 19 of this Act, a quarter;”.

3. In section 8 of the Principal Act, Amendment of section 8.
- (a) in sub-section (2), the following proviso shall be inserted, namely:—
- “Provided that any dealer may opt to pay the registration fee for three years in advance by remitting a sum equal to three times of the fees specified under sub-section (2).”.
- (b) for the existing sub-section (4), the following sub-section shall be substituted, namely:—
- “(4) A certificate issued under sub-section (3) shall be valid for one year / three years as the case may be and shall be renewed on the expiry of the validity period on payment of the required fee as specified in sub-section (2) or the proviso to sub-section (2) as the case may be until the registration is cancelled.”.
- (c) the existing proviso to sub-section (4) shall be omitted.
4. In section 15 of the Principal Act, in sub-section (2), for the words “four per cent”, the words “five per cent” shall be substituted. Amendment of section 15.
5. In section 54 of the Principal Act, for the words “rupees fifty lakhs” the words “rupees one crore” shall be substituted. Amendment of section 54.
6. In the First Schedule of the Principal Act, after serial number 7 and the entries relating thereto, the following shall be inserted, namely:— Amendment of the First Schedule.
- “7A. Aviation turbine fuel sold to an aircraft with a maximum take-off mass of less than forty thousand kilograms operated by scheduled airlines as specified in section 14 of the Central Sales Tax Act, 1956”.

STATEMENT OF OBJECTS AND REASONS

For the dealers, paying tax by way of composition under section 19 of the Puducherry Value Added Tax Act, 2007, it is proposed to introduce 'quarterly returns' in lieu of the existing 'monthly returns'. To regulate the filing of quarterly returns by the dealers, it is proposed to amend section 2 of the said Act, to insert a new definition clause for the term "quarter" and to modify the definition clause of the term "tax period".

2. It is proposed to introduce option for the dealers to pay the registration fee for three years in advance, at the time of registration and for renewal of registration. For the abovesaid purpose, it is proposed to amend section 8 of the said Act.

3. It is proposed to revise the rate of tax for the works contractors opting to pay tax under composition from four per cent on seventy per cent of the value of the consideration received or receivable to five per cent on seventy per cent of the value of the consideration received or receivable. For the abovesaid purpose, it is proposed to amend section 15 of the said Act.

4. As per section 54 of the said Act, every dealer whose total turnover in a year exceeds rupees fifty lakhs shall get his accounts audited by the Chartered Accountants or Cost Accountants and shall submit a copy of the audited statement of accounts and certificate in the manner prescribed. It is proposed to enhance the turnover limit for submission of audit statement of account, from rupees fifty lakhs to rupees one crore. For the abovesaid purpose, it is proposed to amend section 54 of the said Act.

5. Aviation turbine fuel sold to an aircraft with a maximum take-off mass of less than forty thousand kilograms operated by scheduled airlines as specified in section 14 of the Central Sales Tax Act, 1956, has been exempted from levy of tax, by insertion of a new entry 7A in the First Schedule of the Puducherry Value Added Tax Act, 2007, through a notification issued under sub-section (1) of section 75 of the said Act. The said notification is proposed to be replaced.

6. For the abovesaid purposes, a Bill titled "The Puducherry Value Added Tax (Amendment) Bill, 2015" is proposed to be enacted.

7. This Bill seeks to achieve the above objects.

N. RANGASAMY,

Chief Minister.

ADMINISTRATOR'S RECOMMENDATION UNDER
SUB-SECTION (1) OF SECTION 23 OF
THE GOVERNMENT OF UNION TERRITORIES ACT, 1963.

(Copy of Letter No. 31478/F2/A1/2014, dated 10-3-2015 from the Hon'ble Chief Minister Thiru N. Rangasamy to the Hon'ble Speaker, Legislative Assembly, Puducherry)

The Lieutenant-Governor, Puducherry having been informed of the subject matter of the proposed Puducherry Value Added Tax (Amendment) Bill, 2015 providing for the levy of Value Added Tax in the Union Territory, recommends under sub-section (1) of section 23 of the Government of Union Territories Act, 1963 (Central Act 20 of 1963), the introduction in and consideration by the Legislative Assembly of the said Bill.

S. MOHANDASS,
Secretary,
Legislative Assembly Secretariat.

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