

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the Tamil Nadu on 9th December, 2024 is published together with Statement of Objects and Reasons for general information:—

L.A Bill No. 41 of 2024

**A Bill further to amend the Tamil Nadu
Goods and Services Tax Act, 2017.**

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-fifth Year of the Republic of India as follows: —

1. (1) This Act may be called the Tamil Nadu Goods and Services Tax (Second Amendment) Act, 2024. Short title and commencement.

(2) Sections 2 and 3 shall come into force on the 1st day of April 2025 and section 4 shall be deemed to have come into force on the 1st day of October 2024.

Tamil Nadu Act 19
of 2017.

2. In section 2 of the Tamil Nadu Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), for clause (61), the following clause shall be substituted, namely:— Amendment of section 2.

“(61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20;”.

3. For section 20 of the principal Act, the following section shall be substituted, namely:— Substitution of section 20.

“20. Manner of distribution of credit by Input Service Distributor.—(1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.

(2) The Input Service Distributor shall distribute the credit of State tax or integrated tax charged on invoices received by him, including the credit of State tax or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) The credit of State tax shall be distributed as State tax or integrated tax and integrated tax as integrated tax or State tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.”.

4. After section 122 of the principal Act, the following section shall be inserted, namely:—

Insertion of new
section 122A.

“122A. Penalty for failure to register certain machines used in manufacture of goods as per special procedure.—(1)

Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.

(2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where,—

(a) the penalty so imposed is paid; and

(b) the registration of such machine is made in accordance with the special procedure within three days of the receipt of communication of the order of penalty.”.

STATEMENT OF OBJECTION AND REASONS

The Tamil Nadu Goods and Services Tax Act, 2017 (Tamil Nadu Act 19 of 2017) provides for levy and collection of tax on intra-State supply of goods or services or both by the State Government. The Goods and Services Tax Council in its 50th and 52nd meetings, among others, recommended amendments to the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017) and to give effect to the said recommendations, the Central Goods and Services Tax Act, 2017 has been amended vide sections 11 to 13 of the Finance Act, 2024 (Central Act 8 of 2024). In tune with the said amendments, the Tamil Nadu Goods and Services Tax Act, 2017 (Tamil Nadu Act 19 of 2017) has to be amended suitably. Accordingly, the Government have decided to amend the said Tamil Nadu Act 19 of 2017.

2. The Bill seeks to give effect to the above decision.

P. MOORTHY,

Minister for Commercial Taxes and Registration.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill authorize the Government to make rules, for the purposes specified therein.

2. The powers delegated are normal and not of an exceptional character.

P. MOORTHY,

Minister for Commercial Taxes and Registration.

Secretariat,
Chennai-600 009,
9th December 2024.

K. SRINIVASAN,
Principal Secretary.