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తెలంగాణ రాజపత్రము
THE TELANGANA GAZETTE
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TELANGANA BILLS
TELANGANA LEGISLATIVE ASSEMBLY

The following Bill was introduced in the Telangana
Legislative Assembly on 26th March, 2015.

L.A. BILL No. 8 OF 2015.

**A BILL FURTHER TO AMEND THE TELANGANA
VALUE ADDED TAX ACT, 2005.**

Be it enacted by the legislature of the State of
Telangana in the Sixty-sixth year of the Republic of India
as follows:-

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

Short title
and
commence-
ment.

[1]

B. 175-1

(2) It shall be deemed to have come into force with effect on and from the 17th January, 2015.

Amend-
ment of
Schedule -
VI
Act 5 of
2005.

2. In the Telangana Value Added Tax Act, 2005, in Schedule - VI, --

(i) in Column No, 4, against item No. 2, for the figure "31%", the figure "35.20%" shall be substituted;

(ii) in Column No. 4, against item No. 5, for the figure "22.25%", the figure "27%" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

Petrol and Diesel (All kinds of diesel oils including C-9) (at items No. 2 and 5 respectively in the Schedule - VI to the Act) are taxed @ 31% and 22.25% on the sale price at the point of the first sale in the State under the Telangana Value Added Tax Act, 2005.

Due to steep fall in the prices of crude oil from \$ 110 to \$ 45.55 during the period from July, 2014 to January, 2015 in the International Market, the domestic oil prices and the sale prices of petrol and Diesel in the State have proportionately fallen down considerably affecting inter-alia the State revenues. As a consequence thereof the Government of India have already revised the Central Excise tariff of Petrol and Diesel four times in the past five months to offset their revenue losses.

Owing to the above and since the Petrol and Diesel sale prices contribute to 1/3rd of the State VAT Revenue it has been decided by the State Government to make good the loss, and in exercise of the powers conferred under section 79 (1) of the TVAT Act, 2005 Government issued Notification in G.O.Ms.No. 3, Revenue (CT-II) Department, dated 16-01-2015 amending items 2 and 5 of Schedule -VI of the TVAT Act, 2005 levying tax @ Rs. 2/- per litre on both Petrol and Diesel Oil (All Kinds of Diesel oils including C-9) in addition to the existing levies @ 31% and 22.25% respectively, on them and also on errata vide G.O.Ms. No. 16, Revenue (CT-II (1)) Department, dated 5-2-2015 was issued substituting the rate of tax for 31% to 35.20% on Petrol and 22.25% to 27% on Diesel Oils (All Kinds of Diesel oil including C-9).

As the said notifications are required to be incorporated in the Act by way of introducing a Bill in the State Legislature as mandated

under Section 79 (2) of the TVAT Act, 2005, it has been decided to introduce a Bill for the purpose.

This Bill seeks to give effect to the above decision.

TALASANI SRINIVAS YADAV,
Minister for Commercial Taxes and
Cinematography.

FINANCIAL MEMORANDUM

As result of amendment to items No. 2 and 5 of Schedule-VI to the Telangana Value Added Tax Act, 2015, as proposed in the Bill the loss of revenue of Rs. 35.75 Crores per month to the State exchequer due to steep fall in the prices of petrol and Diesel oils will be neutralized..

TALASANI SRINIVAS YADAV,
Minister for Commercial Taxes and
Cinematography.

**MEMORANDUM UNDER RULE 95 OF THE RULES OF
PROCEDURE AND CONDUCT OF BUSINESS IN THE
TELANGANA LEGISLATIVE ASSEMBLY**

The Telangana Value Added Tax (Second Amendment) Bill, 2015 after it is passed by the both the Houses of the Legislature of the State may be submitted to the Governor for his assent under Article 200 of the Constitution of India.

TALASANI SRINIVAS YADAV,
Minister for Commercial Taxes and
Cinematography.

S. RAJA SADARAM,
Secretary to State Legislature.