




Recent Amendment in MVAT & CST Laws

Presented by
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For

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Maharashtra Value Added Tax (Third Amendment) Rules, 2012 (Notification No.VAT 1512/CR 61/ Taxation-I date 01st June 2012)

- **Amendment in Provisions for filing of First Return (Rule 18)**
 - **Earlier Provision:**
 - There was no difference whether the Application for registration was made in time or not.
 - **W.e.f 01st May 2012:**
 - If Applied within time – Same as earlier
 - If not applied within time: Separate Returns to be filed for URD period and RD period.



Amendment in Provision for filing of First Return (Rule 18) (contd..)

- **Return for URD Period:**

- First Return of URD Period: From the date of event which makes liable to the end of quarter in which such date occurs.
- Thereafter quarterly till the quarter immediately before the quarter containing the date of registration.
- Last Return of URD Period: 01st day of the quarter containing the date of registration till the day before the date of registration.



Amendment in Provision for filing of First Return (Rule 18) (contd..)

- Return for RD Period:
 - First Return of RD Period: from the date of registration to the end of the quarter containing the date of registration
 - Thereafter quarterly for that year.
- Amendment in Provision for Last Return (Rule 18)
 - Last return for Non Audit cases: Submission last return along with E - Annexure by 30th June 2012 (earlier 90 days was mentioned i.e., 29th June 2012)



Amendment in Provision for filing of First Return (Rule 18) (contd..)

- Example to understand the implications of New Amendment w.r.t First Return
 - M/s. Bol Bachan Corporation became liable for registration on 01/06/2012, however he got registered on 01/11/2012. How many returns and period of returns that need to be filed for the FY 2012-13?



Amendment in Provision for filing of First Return (Rule 18) (contd..)

- Date of event - 01/06/2012, date of registration 01/11/2012, returns to be filed are as follows:
 - Return for URD Period:
 - 01/06/2012 to 30/06/2012
 - 01/07/2012 to 30/09/2012
 - 01/10/2012 to 31/10/2012
 - Return for RD Period:
 - 01/11/2012 to 31/12/2012
 - 01/01/2013 to 31/03/2013



Amendment in Due Date for filing of MVAT Audit Report (Rule 66)

- **Earlier Provisions:**
 - Within ten months of the end of the year to which the report relates
- **W.e.f 01st May 2012:**
 - Within eight months of the end of the year to which the report relates
- **Due Date for filing of MVAT Audit Report for FY 2011-12 is 30th November 2012.**
- **Representations by STPAM / CTC / WIRC etc.**

Amendment in Due Date for filing of MVAT Audit Report (Rule 66) (contd..)

- **Hardship caused:**
 - Two months already lapsed
 - Two months curtailed
- **Due date for Tax Audit:**
 - Normal Cases: 30th September 2012
 - Transfer Pricing Cases: 30th November 2012
- **Due Date in the month of October 2012:**
 - Monthly Returns
 - Quarterly Returns
 - Half yearly Returns
 - Income Tax TDS Return for Quarter 2
 - Service Tax Half yearly Return
- **ROC Annual Return filing in the month of Nov 2012**



Increase in Rate of Reduction on Branch Transfer by 2% (Notification No.VAT 1512/CR 43/Taxation-I dt 31/03/2012)

- **Applicability can be understood as follows:**
 - Dispatches any taxable goods outside the State
 - Reduction is specified %age of Purchase price of corresponding taxable goods other than:
 - Capital Assets
 - Goods used as Fuel
- **Earlier Provisions: Rate of reduction was linked with CST Rate (i.e., 2%)**
- **W.e.f 01st April 2012: Rate of Reduction increased to 4%**

Increase in Rate of Reduction on Branch Transfer by 2% (contd..)

- Needs to be kept in mind while preparing Sales Tax Return for FY 2012-13.
- Summary of Rate of reduction of MVAT set off under Rule 53(3) is as follows:

Period	Reduction Amount as a percentage of Purchase Price
01 st April 2005 to 31 st March 2007	4%
01 st April 2007 to 31 st May 2008	3%
01 st June 2008 to 31 st March 2012	2%
01 st April 2012	4%



TDS on Unregistered Dealers – Increase in rate of Tax from 4% to 5% (Notification No. JC(HQ)I/VAT/2005/97 dt 04/04/2012)

- **Earlier Provisions:**

- **Rate of deduction** of MVAT TDS is as follows:
 - **2%**, if contractor is **registered** and
 - **4%**, if contractor is **unregistered**

- **W.e.f 01st April 2012:**

- **Rate of deduction** of MVAT TDS is as follows:
 - **2%**, if contractor is **registered** and
 - **5%**, if contractor is **unregistered**
- Remember the Due date for filing of Annual Return of MVAT TDS for the FY 2011-12 is 30th June 2012.



Maharashtra Tax Laws (Levy, Amendment and Validation) Act, 2012 (Notification No. MAH ACT NO VIII OF 2012)

- Amendment in Provision for Incidence and Levy of Tax (Section 3)
- Limits of Turnover:
 - 1,00,000/-: Importer
 - 5,00,000/-: Other Cases
- Earlier the same pertains to turnover of Sales
- W.e.f 01st May 2012 it pertains to both turnover of sales as well as turnover of purchase



Amendment in Provision for Incidence and Levy of Tax (Section 3) (contd..)

- **Turnover of Sales:**
 - Taxable Goods
 - Tax free Goods

- **Turnover of Purchase:**
 - Purchase of Cotton liable to purchase tax
 - Purchase of Oil Seeds liable to purchase tax



New Provision for levy of Purchase tax on purchase of cotton (Section 6A)

- Concept of Purchase Tax introduced.
- The rate of purchase tax is equal to the rate of sales tax payable.
- Schedule Entry C-25, rate of tax is 5%.
- Rule 52 amended to allow set off of Purchase Tax (Notification dt 01st June 2012)



New Provision for levy of Purchase tax on purchase of cotton (Section 6A) (Contd..)

- Purchase tax shall be levied on the turnover of purchase of cotton (directly or through commission agent), from a person who is not a dealer or dealer who is not registered dealer, if:
 - the cotton so purchased are dispatched outside the State, to a branch or it is consigned to an agent.
 - the cotton so purchased is used in manufacture of:
 - tax free goods or
 - taxable goods and the goods so manufactured are dispatched outside the state to branch or sent to consignment agent.



New Provision for levy of Purchase tax on purchase of oil seeds (Section 6B)

- Similar to Purchase tax on Cotton.
- The rate of purchase tax is equal to the rate of sales tax payable.
- Schedule Entry C-68, rate of tax is 5%.
- Rule 52 amended to allow set off of Purchase Tax (Notification dt 01st June 2012)

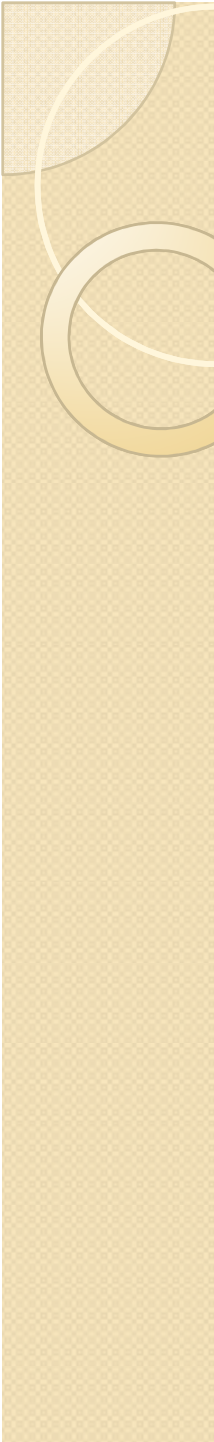
New Provision for levy of Purchase tax on purchase of oil seeds (Section 6B) (Contd..)

- Purchase tax shall be levied on the turnover of purchase of oil seeds (directly or through commission agent), from a person who is not a dealer or dealer who is not registered dealer, if:
 - the oil seeds so purchased are dispatched outside the State, to a branch or it is consigned to an agent.
 - the oil seeds so purchased is used in manufacture of:
 - tax free goods or
 - taxable goods and the goods so manufactured are dispatched outside the state to branch or sent to consignment agent.



Revival of Exemption benefits to Textile Processor [Section 8(3C)]

- **Earlier Provisions:**
 - The transfer of property in goods involved in processing of Textiles described in column (3) of the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957) was exempt u/s 8(3C).
- **From 08th April 2011 to 30th April 2012:**
 - Amendment by Finance Act 2011 (fabric covered earlier moved out w.e.f 08th April 2011)
- **W.e.f 01st May 2012:**
 - Sub section amended to add words “as it stood immediately before the 8th April 2011”
- **For sales made during the period 08th April 2011 to 30th April 2012?**



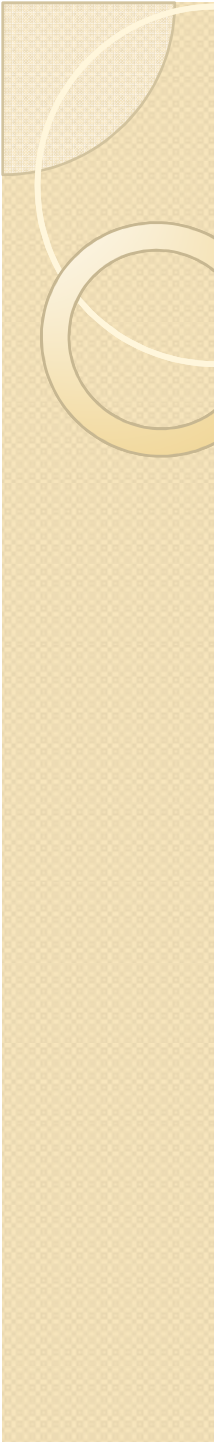
New Levy of Late fees for delay in filing of Return [Section 20(6)]

- Inserted from a date to be notified*
- Failing to file return in time
- Late fees Rs. 5000/- payable before filing of return
- This levy is in addition to other amounts payable as per return.
- Irrespective of Nil Turnover or Tax Liability or genuine cases.
- Accordingly section 29(8): Penalty Rs. 5000/- deleted from a date to be notified. *



Insertion of New Provisions wrt Appeals – w.e.f 01st May 2012 (Section 26)

- If at the request of the appellant, the Appellate Authority or the Tribunal has granted 3 adjournments or the appellant fails to attend on the date fixed for hearing by the Appellate Authority or Tribunal on 3 occasions, whether consecutive or not, then the stay, if any, granted shall not continue unless amount equal to 15% of the amount in dispute in appeal or 15 crore, (whichever is less) is paid within the time permitted by Appellate Authority or Tribunal.
- This 15% will include the part payment already made earlier towards disputed amount.
- This order of enhanced part payment will not be appealable.
- If the appellant failed to pay the amount so enhanced, the amount in dispute shall be recoverable and the stay shall stand vacated.



Insertion of New Provisions for levy of Penalty [Section 29(2A)]

- Inserted w.e.f 01st May 2012
- Commissioner may impose Penalty for Delay / No Registration
- Only after giving dealer the opportunity of being heard.
- Equal to the amount of tax payable for the URD period.



Insertion of Provision for Tax Collected At Source [Section 31A]

- State Government may require any person or authority:
 - who auctions the right for excavation of sand, to collect an amount (TCS) at the rate to be specified towards the liability of sales tax to be incurred on sale of sand by the auction purchaser, on the auction of sand.
 - who has temporary possession or control over the goods (as may be notified), pending clearance of the said goods by the purchaser, to collect an amount (TCS) at the rate to be specified, towards the liability of sales tax to be incurred by the purchasing dealer on sale of such goods.
- Set off shall be available of such TCS.



Insertion of Provision for Tax Collected At Source [Section 31A] (contd..)

- TCS Payment / Certificate / Register / Return:
 - In Form 210 or Form MTR 6.
 - Within 21 days from the end of the month
 - Certificate to be issued in Form 421
 - Maintain separate account in Form 422
 - Annual Return in Form 423.



Insertion of New Provision for Grant of Exemption on Sale of Furnishing Cloth except Last Sales (Section 4I)

- Sec 4I (4)(c) inserted
- Accordingly the State Government can notify and provide exemption for payment of full or part of the tax payable on the sale of furnishing cloth as specified in the notification issued under Schedule Entry C-101 at a point other than last point of sale in the State.
- Till date no notification is issued granting such exemption.



Increase in time limit for Preservation of Records

- Earlier the selling dealer was required to retain copy of tax invoice / bill / cash memorandum issued for a period of 3 years from the end of the year in which the sales took place.
- The said period is extended to 8 years w.e.f 01st April 2005 (vide Notification dt. 25th April 2012)
- Earlier as per Rule 68 which deals with preservation of books of accounts, register etc, every dealer was required to preserve record for 6 years.
- Corresponding change in period of Preservation of books of accounts, registers, etc. from six years to eight years. [vide notification dt. 01st June 2012]



Thank You