

R.N.I. TELMUL/2016/73158
HSE No. 1051/2017-2019

[Price : Rs. 9-00 Paise.



తెలంగాణ రాజపత్రము
THE TELANGANA GAZETTE
PART IV-A EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 11] HYDERABAD, TUESDAY, NOVEMBER 7, 2017.

TELANGANA BILLS
TELANGANA LEGISLATIVE ASSEMBLY

The following Bill was introduced in the Telangana Legislative Assembly on 7th November, 2017.

L. A. BILL No. 11 OF 2017.

**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-eighth Year of the Republic of India, as follows:

1. (1) This act may be called the Telangana Value Added Tax (Second Amendment) Act, 2017.

(2) It shall be deemed to have come into force with effect from 17.06.2017.

Short title
and
commence-
ment.

Amend-
ment of
section 20.
Act No.5
of 2005.

2. In the Telangana Value Added Tax Act, 2005 (hereinafter referred to as the principal Act), in section 20, in sub-section (4), for the words “four years”, the words “six years” shall be substituted.

Amend-
ment of
section 21.

3. In the principal Act, in section 21,-
(i) after sub-section (1), the following sub-section shall be inserted, namely,-

Central
Act No. 38
of 1949.

“(1-A) (a) Every VAT dealer shall within such time as may be prescribed, furnish certificates of ‘Annual Consolidated Statement of Turnovers’, along with other statements as may be prescribed, duly certified by a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 or Sales Tax Practitioner, enrolled with the Commercial Taxes Department:

Provided that the VAT dealer, whose turnover is less than Rs. 50 lakhs, per annum may, opt to submit the statements as may be prescribed, by self certification, or certified by the Sales Tax Practitioner, enrolled with the Commercial Taxes Department:

(b) Any VAT dealer, who fails to furnish the certificates along with other statements under clause (a) on or before the prescribed date in the manner prescribed shall be liable to pay penalty as may be prescribed.”;

(ii) in sub-section (3), for the words “four years” occurring at two places, the words “six years” shall be substituted;

(iii) in sub-section (4) and (6), for the words “four years”, the words “six years” shall be substituted;

(iv) in sub-section (7) and (8), for the word “four years or six years, as the case may be”, the words “six years” shall be substituted.

4. In the principal Act, in section 31, in sub-section (1), -
(i) the first proviso shall be omitted;
(ii) after omitting the first proviso, in the existing proviso, for the words “provided further that”, the words “provided that” shall be substituted.
5. In the principal Act, in section 32, in sub-section (3), (6) and (7), for the words “four years”, the words “six years” shall be substituted.
6. In the principal Act, in section 57, in sub-section (5) and the proviso thereunder, for the words “three years” the words “six years” shall be substituted.
7. The Telangana Value Added Tax (Amendment) Ordinance, 2017 is hereby repealed.
- Amend-
ment of
Section
31.
- Amend-
ment of
Section
32.
- Amend-
ment of
Section
57.
- Repeal of
Ordinance
2 of 2017.

STATEMENT OF OBJECTS AND REASONS

The Government of India have enacted the Central Goods and Services Tax Act, 2017 and the Government of Telangana enacted the Telangana Goods and Services Tax Act, 2017 and both the Acts have not been brought into force.

The provisions of Telangana Value Added Tax Act, 2005 empowers the State Government to levy tax on alcoholic liquor for human consumption and Petroleum products and according to the Constitution (One Hundred and First Amendment) Act, 2016, the levy of tax on the petroleum products and alcoholic liquor for human Consumption is within the competence of the State Legislature.

The repeal of the Telangana Value Added Tax Act, 2005 (except in respect of the goods included in the Entry 54 of the State List of the Seventh Schedule of the Constitution) by the Telangana GST Act, 2017, shall not.-

(e) after any investigation, inquiry, verification (including scrutiny and audit), assesment proceedings, adjudication and any other legal proceedings or recovery of arrears or remedy in respect of any such tax, surcharge, penalty, fine, interest, right, privilege, obligation, liability, forfeiture or punishment, as aforesaid, and any such investigation, inquiry, verification (including scrutiny and audit), assesment proceedings, adjudication and other legal proceedings or recovery of arrears or remedy may be instituted, continued or enforced, and any such tax, surcharge, penalty, fine, interest, forfeiture or punishment may be levied or imposed as if these Acts had not been so amended or repealed;

(f) affect any proceedings including that relating to an appeal, revision, review or reference, instituted before, on or after the appointed day under the said amended Acts or repealed Acts and such proceedings shall be continued under the said amended Acts or repealed Acts as if this Act had not come into force and the said Acts had not been amended or repealed;

It has been considered necessary to strengthen certain provisions of the Telangana Value Added Tax Act, 2005 to overcome any limitations to help effective revenue realization besides preventing leakages and accordingly it has been decided to amend the relevant provisions of the Act by undertaking a legislation;

As the Legislature of the State was not then in session and it has become imperative for the Government to implement the said decision immediately, the Telangana Value Added Tax (Amendment) Ordinance, 2017 (Telangana Ordinance No. 2 of 2017) has been promulgated by the Governor on the 17th June, 2017 and the same has been published in the Telangana Gazette dated: 17th June, 2017.

This Bill seeks to replace the said Ordinance.

**K. CHANDRASHEKAR RAO,
CHIEF MINISTER.**

FINANCIAL MEMORANDUM

The Government of India have announced for implementation of Goods and Services Tax in the country from 1st July, 2017.

However, the provisions of Telangana Value Added Tax Act, 2005 will be applicable to Schedule-VI of the Act which empowers the State Government to levy Taxes on Alcohol for human consumption and Petroleum products as per the 101 Constitutional Amendment Act. Similarly, the Telangana Value Added Tax Act, 2005 will be enforced for audit, assessment, legal cases and related provisions for the previous years.

To strengthen the Telangana Value Added Tax Act, 2005 to overcome any limitations which help in effective revenue realization and prevent leakages the amendments are proposed to the TVAT Act.

By increasing the limitation period for six years from four years will help in greater probability of more cases for Audits and Assessments and thereby potential loss to the Government will be avoided. Further, by introducing the provision of certificates of statements of profit and loss account and balance sheet duly certified by the Chartered Accountants etc., will help in protection of revenue.

By amending the limitation period for forfeiture of excess tax collections helps in prohibiting unjust enrichment by the dealers.

By all the above amendments, the compliance levels will increase.

**K. CHANDRASHEKAR RAO,
CHIEF MINISTER.**

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

The Telangana Value Added Tax Act (Second Amendment) Bill, 2017, after it is passed by the Legislature of the State, may be submitted to the Governor for his assent under article 200 of the Constitution of India.

**K. CHANDRASHEKAR RAO,
CHIEF MINISTER.**

Dr. V. NARASIMHA CHARYULU,
Secretary to State Legislature.