



LEGISLATIVE ASSEMBLY OF THE STATE OF GOA

**The Goa Sales Tax
(Amendment) Bill, 2004**

(Bill No. 28 of 2004)

^{AS}
~~To~~ be introduced in the Legislative Assembly of the State of Goa

GOA LEGISLATURE SECRETARIAT
ASSEMBLY HALL, PORVORIM, GOA
JULY, 2004

THE GOA SALES TAX (AMENDMENT)
BILL, 2004

(Bill No. 28 of 2004)

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BILL

further to amend the Goa Sales Tax Act, 1964

Be it enacted by the Legislative Assembly of Goa in the Fifty-fifth Year of the Republic of India, as follows:—

5 1. *Short title and commencement.*— (1) This Act may be called the Goa Sales Tax (Amendment) Act, 2004.

(2) It shall come into force at once.

10 2. *Amendment of section 7A.*— In section 7A of the Goa Sales Tax Act, 1964 (Act 4 of 1964)(hereinafter referred to as the "principal Act"),

15 (i) in sub-section (1), for the words "fifteen crores", the words "three crores" shall be substituted;

(ii) after sub-section (1), the following proviso shall be inserted, namely:-

20 "Provided that, in calculating the additional tax payable by the dealer, the tax payable under this Act in respect of sales of declared goods specified under section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), shall not be taken into consideration."

3. *Amendment of section 15B.*— In section 15B of the principal Act, (i) in sub-section (1), for the word "individual", the word "industrial" shall be substituted;

(ii) in sub-section (2), after the expression 5
"Government Treasury" and before the
expression "by the said employer", the
expression "in such manner as may be
prescribed", shall be inserted;

(iii) for sub-section (3), the following sub- 10
-section shall be substituted, namely:-

"(3) Any such employer making such
deduction under sub-section (1) shall, in respect
of every quarter in which such deduction is
made, send to the prescribed authority the 15
receipt from Government Treasury showing the
payment of such amount deducted alongwith a
statement in the prescribed form containing
details of the Works Contract under execution
and tax deducted thereon, within the prescribed 20
time, and shall furnish a certificate in the
prescribed form to the dealer specifying the
amount so deducted and such other particulars
as may be prescribed."

(iv) in sub-section (5), for the expression 25
"2% per month or part thereof on the amount due
and deductible", the expression "15% per annum"
shall be substituted;

(v) the existing provision of sub-section (6) 26
shall be numbered as clause (a) of sub-section (6)
and after clause (a) as so numbered, the following
clause shall be inserted, namely:—

"(b) Subject to the conditions and the
circumstances as may be prescribed, the
Commissioner may certify on an application made
by any registered dealer that no deduction or
5 deduction at such lower rate as he may decide
shall be made in respect of such registered dealer."

Statement of Objects and Reasons

In the 26th meeting of Sales Tax Advisory Committee, certain recommendations were made concerning the issue of Tax deducted at source. Further, in the light of experience gained in enforcing the provisions of the Goa Sales Tax Act, 1964 (Act 4 of 1964) and difficulties faced, it is felt necessary to carry out following amendments to the said Act, 1964.

An additional tax is payable by the dealer under section 7A of the said Act if his gross turnover of sales on petroleum products exceeds fifteen crores of rupees in a year. This limit being much higher, new dealers in petroleum products gets excluded which besides reducing the additional tax collection also causes disparity in prices.

It is therefore, proposed, to amend sub-section (1) of section 7A of the said Act, 1964, so as to bring down gross turnover limit to three crores.

As per restriction contained in section 15 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), tax on declared goods cannot exceed 4%. 'Aviation Turbine Fuel sold to a Turbo-Prop Aircraft' has been declared taxable at 4%. No additional tax, therefore, can be levied on sales of 'Aviation Turbine Fuel sold to a Turbo-Prop Aircraft'.

The Bill, therefore, seeks to insert a proviso to sub-section (1) of section 7A of the said Act for excluding sales of declared goods from payment of additional tax.

The Bill seeks to amend sub-section (1) of section 15B of the said Act, 1964, so as to substitute the

word 'individual' by the word 'industrial' for harmonious construction.

The Bill seeks to amend sub-section (2) of section 15B of the said Act so as to empower Government to frame rules specifying the manner in which tax deducted should be remitted in Government Treasury.

The Bill seeks to amend sub-section (3) of section 15B of the said Act so as to specify that the employer is required to furnish the receipt from Government Treasury showing the payment of amount deducted at source.

The Bill seeks to amend sub-section 5 of section 15B of the said Act, 1964, so as to bring interest rate provided in that sub-section in conformity with the interest rate provided under section 17B.

The Bill seeks to amend sub-section (6) of section 15B of the said Act so as to provide power to the Commissioner to certify, subject to such conditions and such circumstances as may be provided in the rules, non-deduction of tax at source or deduction at such lower rate as he may decide.

This Bill seeks to achieve the above objects.

Financial Memorandum

No financial implications are involved in this Bill since no additional expenditure will be incurred on account of the proposed amendments.

Memorandum Regarding Delegated Legislation

Proposed sub-section (3) of section 15B empowers the Government to frame rules to specify the authority to whom receipt from Government Treasury shall be sent. Also, it empowers the Government to specify form of statement as stated therein and time of filing the same.

Proposed clause (b) of sub-section (6) of section 15B seeks to empower the Government to specify the conditions and circumstances in which Commissioner may certify the application of dealer filed under that clause.

These delegations are of normal character.

Porvorim Goa.
29th July, 2004

Manohar Parrikar
Chief Minister

Porvorim Goa
29th July, 2004
Assembly Hall

(S. A. Narvekar)
Secretary (Legislature)

Governor's Recommendation under Article 207 of the Constitution.

In pursuance of Article 207 of the Constitution of India, I, S. C. Jamir, the Governor of Goa, hereby recommend to the Legislative Assembly of Goa, the introduction and consideration of the Goa Sales Tax (Amendment) Bill, 2004.

ANNEXURE

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Extract of the Goa Sales Tax Act, 1964 (Act 4 of 1964).
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Section 7A. Levy of Additional Tax.

(1) There shall be levied and collected from every dealer liable to pay tax under this Act whose gross turnover of sales on petroleum products exceeds fifteen crores of rupees in a year, an additional tax at the rate of twenty five paise in the rupee on the sales tax payable by such dealer for that year under this Act.

(2) Notwithstanding anything contained in this section, no dealer shall be entitled to collect any sum by way of additional tax payable by him under this section.

(3) The provisions of this Act and the rules made thereunder shall, so far as may be, apply in relation to the additional tax as they apply in relation to the tax payable under this Act.

Section 15B. Tax Deduction at Source.

(1) Notwithstanding anything contained in this Act, any employer including the central Government, the state Government, or an individual, or a commercial or trading undertaking of the central Government, or of the state Government, any Company registered under the Companies Act, 1956, any local authority or any person or dealer registered under this Act shall deduct tax from, and out of the amount payable by such employer to a dealer to whom a works contract has been awarded involving transfer of property in goods (whether as goods or in some other form), at the rate of 3% on half the value of the Works Contract undertaken by such dealer which shall be deemed to be on account of property of goods in the nature of such contracts;

Provided that, no such deduction shall be made where the amount or the aggregate of the amount payable to a

dealer by such employer is less than thirty thousand rupees during a year.

(2) The tax deducted under sub-section (1) shall be remitted to the Government Treasury by the said employer making such deduction within 30 days from the end of the month during which deduction of the amount is made;

Provided that the employer shall remit into the Government Treasury the full amount of tax due and deductible by him under sub-section (1) from the dealer irrespective of the actual amount of tax deducted by him from such dealer.

(3) Any such employer making such deduction under sub-section (1) shall in respect of every month in which such deduction is made, send to the prescribed authority a statement in the prescribed form within the prescribed time containing details of the Works Contract under execution and tax deducted thereon, and shall furnish a certificate in the prescribed form to the dealer specifying the amount so deducted and such other particulars as may be prescribed.

(4) Any such employer who remits the tax into the Government Treasury under sub-section (2) shall be deemed to have made payment of tax under the authority of the said dealer.

(5) If any such employer fails to remit into the Government Treasury the amount due and deductible as required by sub-section (2) within the specified time the Assessing Authority after such enquiry as it deems fit and after giving to such employer a reasonable opportunity of being heard, on being satisfied that the said employer has failed to discharge the liability under sub-section (2), shall levy and recover from the employer interest at the rate of 2% per month or part thereof on the amount due and deductible, and by order in writing shall direct such employer to pay the interest in addition to such amount.

(6) No such deduction shall be made under sub-section (1) in respect of such dealers, as may be notified by the commissioner from time to time.

(7) If any Works Contract for execution for the authorities specified in sub-section (1), involves only labour or services but does not involve transfer of property in goods and it is certified to be so by the Appropriate Assessing Authority or by the Assessing Authority of the area on an application made by any dealer, the provisions of sub-section (1) shall not apply and every such application shall be disposed off by the Assessing Authority within one month from the date of receipt, either by issue of certificate as aforesaid or by endorsement intimating ineligibility to such a certificate to the dealer, as the case may be.

8) Payment by way of deduction in accordance with the provisions of this section shall be without prejudice to any other mode of recovery of tax due under this Act from the dealer executing the Works Contract.

Assembly Hall.
Porvorim -Goa.
29th July, 2004.

(S. A. Narvekar)
Secretary (Legislature)