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द महाराष्ट्र  
स्टेट केमिस्ट्स अँड  
ड्रुगिस्ट्स असोशिएशन  
**THE MAHARASHTRA  
STATE CHEMISTS &  
DRUGGISTS ASSOCIATION**



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May 7, 2010

Ref : APS/MSCDA/1310/2010

**ALL PRESIDENTS/SECRETARIES  
OF ALL THE DISTRICT ASSOCIATION  
OF THE M.S.C.D.A**



Subject : Amendments in sales tax / MVAT ACT & rules 2002

Dear sir,

Please find enclosed herewith the photo copy of the circular dated 6<sup>th</sup> May 2010 from M/s. C. B. Thakar & Co, our consultant regarding certain amendments / clarifications have been effected in sales tax laws.

Kindly go through the content of circular seriously and preferably amendments in section 23 (5), 29, 51, 61 (1), 85, 86 and other important changes.

As per the amendment in section 86 every dealer exceeding turnover of Rs. 5 Lac in a year must should have registered under MVAT, otherwise it is very difficult to supply the goods to him. So you are requested to take appropriate advise from your sales tax consultant.

MSCDA is also taking views of our consultant M/s. C.B. Thakar & Co and also representing with sales tax authority for our difficulties / queries and try to get it solve in favour of trade.

Kindly take this matter seriously and advised retailer members to go for registration under MVAT ~~tax~~ and get TIN number. You are also advised and requested to help the retailer members to get TIN number by appointing a consultant.

If you require any assistance or clarification in the subject matter you may contact the undersigned.

Expecting your urgent attention and favorable response.

Thanking you.

Yours faithfully,  
For THE M. S. C. D. A.

  
(ANIL NAVANDER)  
HON GEN SECRETARY



**Immediate Attention**

From: **C. B. THAKAR & CO.,**  
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Dated: **06.05.2010**

**C I R C U L A R**

**For Clients and associates only:**

**Vol. - XIV: No. - 5**

Certain amendments/Clarifications have been effected in Sales Tax Laws. The details of important changes, in brief, are as under:

**1. Maharashtra Value Added Tax Act, 2002**

In light of Budget proposals, the Amendment Act bearing Maharashtra Act No. XII of 2010 dated 29.04.2010 is brought into effect from 01.05.2010. By this Amendment Act, certain important amendments are effected in MVAT Act, 2002 as well as in other Allied Laws. The gist of important changes is given as under.

- i) By amendment in section 18 of the MVAT Act, 2002 it is now provided that the dealer should give intimation about change in the nature of business or change in bank account to the Sales Tax Department. As per rules such information should be given within 30 days from the respective change.
- ii) By amendment in section 23 (5) it is provided that the sales tax authorities will be entitled to carry out transaction wise assessment in case of tax evasion etc..
- iii) By amendment in section 29 following changes are effected.
  - a) The quantum of penalty u/s 29(6), which relates to offence about contravention of tax invoice, is enhanced from Rs.100/- to Rs.1,000/-.
  - b) The quantum of penalty u/s 29(7), which relates to offence about non compliance of notices, is enhanced from Rs.1,000/- to Rs.5,000/-.

- c) Under section 29(11) it was provided that no penalty order should be passed after 5 years from the end of the concerned year for which penalty is to be levied. The period of 5 years is now extended to 8 years.
- iv) An enabling provisions is inserted by way section 42(3A) to give power to the government to notify composition scheme for developers who constructs flats etc..
- v) By amendment in section 51, a proviso is inserted by which powers are now given to the sales tax authorities to reduce the refund from the refund amount claimed in refund application.
- vi) By amendment in section 61(1) following changes are made.
- a) The turnover limits for attracting VAT Audit is enhanced from Rs.40 Lakhs to 60 Lakhs.
- b) It is provided that if the dealer holds Entitlement Certificate under the Package Scheme of Incentives then he should get VAT Audit done without any monetary limits of turnovers.
- vii) By amendment to section 85, appeals in following matters are debarred,
- a) Appeals against orders levying interest u/s.30(2)/30(4).
- b) Appeals against Intimation u/s.63(7).
- c) Appeals against Provisional attachment order u/s.35(1)/(2).
- viii) **By amendment in section 86 it is now provided that the selling dealer while issuing Tax Invoice should also mention the TIN of the purchasing dealer. Therefore, on the Tax Invoices issued from 01.05.2010, the selling dealer should mention TIN of the purchasing dealer.**

Changes in Entries in the Schedules

Entry No.	Brief Description	New Rate /Remarks	Effective Date
A-4(c)	"Sarki Pend"	Exempted form tax (consequently this item is excluded from entry C-30)	01.05.2010
A-55(b)/(c)	Camphor/Dhoop including Loban	Exempted from tax	01.05.2010

A-57	Katha (catechu)	Exempted from tax (consequently this item is excluded from entry C-44)	01.05.2010
A-58	Handmade Laundry Soap manufactured by "Khadi Units" excluding Detergent	Exempted from tax	01.05.2010
B-4	Hair Pins	Brought to tax at 1% from 4% (consequently entry C- 51 is deleted)	01.05.2010
C-115	Vehicles operated on battery or solar power	Brought to tax at 4% from 12.5%	01.05.2010

## 2. Profession Tax Act, 1975

Section 7A is inserted in the Act. By this section the provisions of the Business Audit, as existing in section 22 of the MVAT Act, 2002, are made applicable to P.T. Act, 1975. Accordingly, the department can do Business Audit under Profession Tax Act, 1975 also.

Simultaneously, the provisions in the MVAT Rules, 2005 about Electronic Filing of Returns, Electronic Payment are made applicable to Profession Tax Act also.

## 3. Luxury Tax Act, 1987

- I) The thresh hold limit for application of Luxury Tax and the rate are changed. The new slabs are as under from 01.05.2010.

Particulars	Rate
a) Charges upto Rs.750/- per residential accommodation.	Nil
b) Where the charges are exceeding Rs.750/- but are upto Rs.1200/-.	4%

(The rate for charges exceeding Rs.1200/- will continue at 10%).

- II) The provisions in the MVAT Rules, 2005 about Electronic Filing of Returns, Electronic Payment are made applicable to Luxury Tax Act also.

**4. Maharashtra Act No. VII of 2010 dated 19.04.2010.**

The government has earlier issued Maharashtra Ordinance whereby proviso to section 9 was deleted. This proviso was putting embargo on the powers of the government to increase the rate of tax. After deletion of the proviso such embargo will not apply. Now, the said Ordinance is converted into Amendment Act as above.

**FOR ANY FURTHER CLARIFICATION  
CONTACT US PERSONALLY**