PUNJAB VIDHAN SABHA

Bill No. 12-PLA-2014

THE PUNJAB VALUE ADDED TAX (AMENDMENT) BILL, 2014

A

BILL

further to amend the Punjab Value Added Tax Act, 2005.

BE it enacted by the Legislature of the State of Punjab in the Sixty-fifth Year of the Republic of India, as follows :—

Short title and commencement.

1. *(1)* This Act may be called the Punjab Value Added Tax (Amendment) Act, 2014.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

Insertion of new section 29-A in Punjab Act 8 of 2005.

2. In the Punjab Value Added Tax Act, 2005, after section 29, the following section shall be inserted, namely :—

Power to arrive at settlement of unpaid tax in case of any discrepancy in the discharge of tax liabilities.

"29-A. Notwithstanding anything contained in any provision of this Act, the State Government, if satisfied that it is necessary or expedient so to do in public interest, may, for greater transparency, in order to ensure compliance, notify any scheme for settlement of unpaid tax in case of any discrepancy in the discharge of tax liabilities, subject to such terms and conditions, as may be notified in the Official Gazette.".

Repeal and saving.

3. *(1)* The Punjab Value Added Tax (Third Amendment) Ordinance, 2013 (Punjab Ordinance No. 12 of 2013), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the Ordinance referred to in sub-section *(1)*, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The Department of Excise and Taxation has identified certain dealers who are not paying VAT/CST as per actual tax liability. There are certain dealers who claim the Input Tax Credit, but the tax has actually not been deposited into the State Treasury on the goods so purchased. Some taxable persons claim concessional rates of tax claiming branch transfer/interstate trade, but actually the goods are not sent outside the State. Some taxable persons submit statutory forms claiming concessional rates of tax but the same are not proper and genuine. Some taxable persons claim zero rated sales on account of exports but either the exports do not take place or they are over-invoiced. Some dealers do not calculate correct tax liability and deposit less tax into the Government Treasury.

To provide an opportunity to the taxable persons to pay their tax liability without undue harassment and to avoid any litigation, the Department of Excise and Taxation has embarked on this scheme. This scheme has been drafted for the benefit of the dealers. The dealers are being provided opportunity to pay the actual tax due which was not deposited by them for certain reasons. It is necessary and expedient to insert this provision in Punjab VAT Act, 2005 and it will help in reducing unnecessary litigation. The dealer can pay the tax with interest. There will also be increase in the Government Revenue. Presently, there is no such provision in Punjab VAT Act, 2005, that is why this provision is being inserted in the Punjab VAT Act, 2005 through this Bill.

SUKHBIR SINGH BADAL,
Deputy Chief Minister, Punjab.

FINANCIAL MEMORANDUM

Voluntary Disclosure Scheme is a new scheme being introduced in Punjab. It is difficult to quantify the financial implications of the scheme as the increase in the revenue will depend upon the number of dealers opting for this scheme. This scheme will certainly have a positive impact on the Government Revenue.

The Governor has, in pursuance of clause *(1)* and *(3)* of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

CHANDIGARH :
The 6th March, 2014.

VED PARKASH,
Secretary.

N.B.— The above Bill was published in the *Punjab Government Gazette (Extraordinary)*, dated the 6th March, 2014 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).