

GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES :::: ASSAM :::: KAR BHAWAN
DISPUR, GUWAHATI.

(Circular No. 10 /2010)

No. CTS-11/2008/411

Dated Dispur, the 1st June, 2010.

Sub :- Tax on Skimmed Milk Powder.

Skimmed Milk Powder is taxable @ 5% under the Assam Value Added Tax Act, 2003 as per entry at Sl. No.60 of part-A of the Second Schedule. It has come to our knowledge that many dealers are misclassifying milk powder as skimmed milk powder and paying tax @ 5% instead of 13.5%. As such Government may be losing substantial amount of revenue.

As per the Prevention of Food Adulteration (PFA) Rules, 1955, skimmed milk powder shall not contain more than 1.5 per cent milk fat and moisture shall not exceed 5.00 per cent. Some products are sold as skimmed milk powder with added fat and sugar. In case of such products total fat percentage has to be considered. If any milk powder contains more than 1.5 percent milk fat, it will not be considered as skimmed milk powder.

As such Assistant Commissioner of Taxes / Superintendent of Taxes are directed to examine the case records of the dealers dealing said products in the line of above observation and determine tax liability accordingly. If any such misclassification is noticed they shall take necessary action as per provision of the Assam Value Added Tax Act, 2003.

Sd/-Sanjay Lohiya,
Commissioner of Taxes, Assam,
Dispur, Guwahati-6.

Memo No. CTS-11/2008/411-A

Dated Dispur, the 1st June, 2010.

Copy to :-

1. The Under Secretary to the Govt. of Assam, Finance (Taxation) Department, Dispur, Guwahati-6 for kind information.
2. The Additional Commissioner of Taxes/Joint Commissioners of Taxes (All), Head Office for information.
3. The Deputy Commissioners of Taxes (All) for information and necessary action.
4. The Assistant Commissioners of Taxes/Superintendents of Taxes (All) for information and necessary action.
5. The Central VAT Audit Team Head Office for information.
6. Circular file.

Commissioner of Taxes, Assam,
Dispur, Guwahati-6.

Sanjay Lohiya
16/6/10