

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

(Circular No. 9 /2010)

No. CTS-78/2007/193

Dated Dispur, the 18th May, 2010.

Sub : Retreading of tyres.

Ref : Clarification order No. CTS-78/2007/149 dtd. 07-07-2008.

It has come to our knowledge that some confusion has arisen regarding clarification order under reference. The clarification order was regarding rate of tax on cushion compound, cushion gum and rubber solution under the Assam Value Tax Act, 2003. It was accordingly clarified that such items are taxable under part-C of the Second Schedule. The clarification in no way explained the taxability of the process of retreading. It was only a clarification on the rate of tax on products used for retreading .

It has now come to our knowledge that many dealers taking plea of the said clarification are treating the process of retreading as taxable @ 4%. The process shall come under works contract if tyres of other person is retreaded and therefore the transaction shall be taxable @ 13.5% on taxable turnover for dealer having TIN and shall be taxable @ 4% on gross amount if dealer is under composition scheme.

All Assistant Commissioner of Taxes/ Superintendent of Taxes are asked to examine such dealers and take up necessary action as per provisions of the Assam Value Tax Act, 2003.


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

Dated Dispur, the 24th May, 2010.

Memo No. CTS-78/2007/193-A

Copy to :-

1. The Principal Secretary to the Govt. of Assam, Finance Department, Dispur, Guwahati - 6 for favour of kind information.
2. The Addl. Commissioner of Taxes / Joint Commissioners of Taxes (All) for information.
3. The Deputy Commissioner of Taxes (All) for information.
4. The Assistant Commissioners of Taxes / Superintendents of Taxes (All) for information.
5. Circular file.


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

M. D. S.
20/5/10