

অসম



ৰাজপত্ৰ

THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

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No. 342 Dispur, Thursday, 15th November, 2007, 24th Kartika, 1929 (S.E.)

GOVERNMENT OF ASSAM
ORDERS BY THE GOVERNOR
FINANCE (TAXATION) DEPARTMENT

NOTIFICATION

The 15th November, 2007

No. FTX.81/2005/61.- Whereas with a view to promoting rapid industrialization, the Government announced host of incentives in the Industrial Policy, 2003. The sales tax exemption was also granted, of course, as per Assam Industries (Sales Tax Concessions) Scheme, 1997. In the wake of such policy decision and assurance of the Government, a larger number of industrial units were either set up or are in the process of being set up;

And whereas, as per the national consensus, the Value Added Tax system, which is a multi point tax system, has been introduced in the State of Assam with effect from 1st of May, 2005 replacing the old sales tax system;

And whereas it was strongly felt that the industrial units, which have made investment in the State with expectation of sales tax incentives should be allowed to enjoy the benefit of tax exemption, of course, in conformity with the provisions of the Assam Value Added Tax Act, 2003 (Assam Act VIII of 2005) and accordingly, Assam Industries (Tax Exemption for Pipeline Units) Order, 2005, was notified to give concession to such industrial units;

And whereas, an eligible industrial unit, under the pipeline Order, is *required* to charge tax as per the applicable rates of taxes to ensure smooth continuity of the VAT chain but 99% of the tax so charged does not actually accrue to the Government exchequer as the eligible industrial unit is required to deposit only 1% of such tax into Government exchequer as per the provisions of the said pipeline Order;

And whereas, a dealer registered under the Assam Value Added Tax Act, 2003, who purchases goods taxable under VAT system from such eligible industrial unit, and sells such goods in the course of inter-state trade or commerce or in the course of export out of the territory of India, being eligible to input tax credit as per VAT system, becomes entitled to the refund of the tax so charged by eligible industrial unit;

And whereas, in the public interest it has become necessary to restrict the availment of input tax credit in respect of subsequent sales of goods taxable under VAT system made by a registered dealer in

the course of inter-state trade or commerce or in the course of export out of the territory of India, if the goods so sold are manufactured by an eligible industrial unit.

Therefore, in exercise of the powers conferred by sub-section (7) of section 14 of the Assam Value Added Tax Act, 2003 (Assam Act VIII of 2005), the Governor of Assam hereby notifies that a registered dealer, who purchases goods specified in the Second, Third and Fifth Schedule appended to the said Act within the State of Assam, manufactured by an industrial unit eligible under the Assam Industries (Tax Exemption for Pipeline Units) Order, 2005, and sells such goods in the course of inter-state trade or commerce or in the course of export out of the territory of India, shall not be entitled to input tax credit for the amount of tax shown to have been charged in the corresponding Tax Invoice issued by the eligible industrial unit in respect of such sale.

The industrial unit eligible under the Assam Industries (Tax Exemption for Pipeline Units) Order, 2005 shall mention its number and date of certificate of entitlement and also give a declaration in the Tax Invoice to the effect that the goods so sold by him under the invoice are manufactured by him in his industrial unit enjoying the benefits under the aforesaid Order under the respective category.

It is also notified that the dealer who purchases such goods from an industrial unit eligible under the Assam Industries (Tax Exemption for Pipeline Units) Order, 2005 and all other subsequent sellers who sell such goods to other registered dealers within the State, shall give a declaration in the Tax Invoice to the effect that the goods so sold by him under the invoice are purchased from an eligible industrial unit.

This notification shall come into force on the date of its publication in the Official Gazette.

K.V. EAPEN,

Commissioner & Secretary to the Government of Assam,
Finance (Taxation) Department, Dispur.