

THE TRIPURA ACT NO. 12 OF 2007.

**The Tripura Value Added Tax
(Amendment)
Act, 2007**

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**GOVERNMENT OF TRIPURA
LAW DEPARTMENT**

No. F. 8(38)-Law/ Leg-I/2004.

Dated, Agartala, the 9th October, 2007.

The following Act of the Tripura Legislative Assembly received the assent of the Governor on the 06-10-2007 and is hereby published for general information.

**P.B. Nath
Addl. Secretary, Law,
Government of Tripura.**

The Tripura Act No. 12 of 2007.

THE TRIPURA VALUE ADDED TAX (AMENDMENT) ACT, 2007.

AN

ACT

to amend the Tripura Value Added Tax Act, 2004.

Be it enacted by the Tripura Legislative Assembly in the fifty eight year of Republic of India as follows :-

1. Short title and commencement :-

- (i) This Act, may be called the Tripura Value Added Tax (Amendment) Act, 2007.
- (ii) It extends to the whole of Tripura.
- (iii) It shall come into force at once.

2. Amendment of Section 2 :-

In Section 2 of the Tripura Value Added Tax Act, 2004 (hereinafter referred to as the Principal Act),

(i) in sub-section (10) after the words 'sale or' and before the word 'under', the word 'purchase' shall be inserted and after the word 'a contract of sale', the words ' or purchase' shall be inserted.

(ii) in sub-section 16 after the words 'dealer for the sale' the words 'or purchase' shall be inserted.

(iii) in sub-section 22, clause (a) & (b) shall be renumbered as clause (i) (a) & (b) and after the clause so renumbered the following clause shall be inserted namely:-

"22(ii) 'Repurchase' means purchase of sold goods –

(a) in the same form in which they were sold, or

(b) without doing anything to them, which amounts, or result in a manufacture."

(iv) The sub-section 25 is renumbered as 25(i) and a new sub-section 25(ii) shall be inserted namely :-

"25(ii) 'Purchase' with all its grammatical variations and cognate expressions means any transaction of acquiring property in goods against valuable consideration or deferred payment by a dealer on purchase of taxable goods as mentioned in schedule VIII including any sum charged for,

- (a) anything done by the seller with or in respect of the goods at the time of or before delivery thereof and
- (b) containers or other materials for the packaging of such goods."

(v) in sub-section 26, after the words "tax imposed under this Act", the words, "and 'purchase price' means the amount of valuable consideration paid or payable by a dealer on purchase of taxable goods as mentioned in schedule VIII" shall be inserted and the explanation shall be renumbered as Explanation 1 and after the explanation so renumbered the following explanation shall be inserted namely:-

"Explanation 2 :-

For the purpose of this clause purchase price includes, -

- (a) anything done by the seller with or in respect of the goods at the time of or before delivery thereof and
- (b) containers or other materials for the packing such goods;"

(vi) in sub-section 31 after the words, "of this Act," the words, "and 'Taxable purchase' means purchase of goods as mentioned in schedule VIII which is taxable under the provisions of this Act" shall be inserted.

(vii) for sub-section 35 the following shall be substituted, namely, -

"(35) 'Turnover' means the aggregate amount for which goods are either purchased or bought or sold or supplied or distributed by a dealer, either directly or through another whether on own account or on account of other, whether for cash or for deferred payment, or other valuable consideration."

(viii) after sub-section 35 (3) (c), a new sub-section shall be inserted namely:-

"(35) (4) The turnover in respect of purchase of taxable goods means goods as mentioned in schedule VIII."

3. Amendment of Section 3 :-

In Section 3 of the Principal Act, -

(i) In sub-clause (ii) of clause (a), of sub-section(1) after the words "the Central Sales Tax Act, 1956, or," the words, "Tripura Purchase Tax Act 1990, or" shall be inserted.

(ii) After sub-clause (ii) of clause (a) of sub-section (1), the following sub-clause shall be inserted, namely, -

"(iii) who is engaged in purchase of taxable goods as mentioned in schedule VIII."

(iii) In sub-section (2) (a), after the words 'in case of', the words 'sub-clause (i) & (iii) of' shall be inserted.

(iv) after clause (c) of sub-section (2), the following clause shall be inserted, namely, -

“(d) in case of sub-clause (iii) of clause of sub-section (1) with effect from the date as notified in the official Gazette or from the registration, the date on which he becomes so liable whichever is earlier.”

(v) after clause (d) of sub-section 3, the following clause shall be inserted, namely :-

“(e)involved in purchase of goods as mentioned in the schedule VIII – Nil.”

4. Amendment of Section 5 :-

In Section 5, of the Principal Act,

(i) after Section 5 of the Principal Act, the following Section shall be inserted, namely :-

“5A. Levy of Tax on purchase – (1) The tax payable by a dealer under Section 3(1)(a)(iii) shall be levied on his gross taxable purchase.

(2) The tax under sub-section (1) shall be levied at the gross taxable purchase of goods as mentioned in schedule VIII.”

(ii) in sub-clause (iii) of clause (b) of sub-section (2), the words “the import of the goods into or” shall be omitted.

5. Amendment of Section 6 :-

in Section 6 of the Principal Act, after the words ‘are sold’, the word ‘or purchased’ and after the words ‘have been sold’, the words ‘or purchased’ and after the word ‘Tax under Section 5’, the word ‘or 5A’ and after the words ‘on the sale’, the words ‘or purchase’ shall be inserted.

6. Amendment of Section 7 :-

For Section 7 in the Principal Act, the following shall be substituted:-

“**Rate of Tax** – The value added tax payable by a dealer under this Act shall be levied on his taxable turnover at such rates as specified in schedule II(a), II(b), II(c), VI, VII & VIII.”

7. Amendment of Section 9 :-

In Section 9 of the Principal Act,

(i) in sub-section 1 after the words, ‘goods for sale’ the words, ‘or purchase by him of goods mentioned in schedule VIII for resale or use in manufacturing or processing of goods for sale’ shall be inserted.

(ii) in the explanation of sub-section (1), after the words ‘tax paid during purchase’ the words ‘and also on each point of purchase of goods as mentioned in

schedule VIII with provision for credit of tax paid during previous transaction' shall be inserted.

8. Amendment of Section 10 :-

In Section 10 of the Principal Act, -

(i) in sub-section (1) after the words 'paid or payable in respect of', the words 'all taxable purchase of goods as mentioned in schedule VIII and' shall be inserted.

(ii) in clause (c) of sub-section (1) after the words 'taxable goods', the words 'and purchase of taxable goods as mentioned in schedule VIII' shall be inserted.

(iii) In the first proviso to clause (c) of sub-section (2), after the words 'out of total sales', the words 'and also shall be proportionate to taxable purchase out of total purchase for the goods as mentioned in schedule VIII' shall be inserted.

9. Amendment of Section 15 :-

In Section 15 of the Principal Act, in the first proviso to sub-section (1) after the words 'outside the state or', the words 'purchase of goods as mentioned in schedule VIII or' shall be inserted.

10. Amendment of Section 39 :-

In Section 39 of the Principal Act, after sub-section (1) the following sub-section shall be inserted, namely :-

"(1)A. No person who is not a registered dealer shall collect in respect of any purchase of goods mentioned in schedule VIII by him in the state of Tripura any amount by way of tax under this Act and no registered dealer shall make any such collection except in accordance with the provisions of this Act and the Rules made thereunder and not beyond the rate specified."

11. Amendment of Section 40 :-

In Section 40 of the Principal Act, in sub-section (1), after the words 'sale of any goods', the words 'or in respect of purchase of any goods mentioned in the schedule VIII' shall be inserted.

12. Amendment of Section 41 :-

In the heading of Section 41 before the words 'Sales not liable to tax' the words 'Purchase or' shall be inserted and the amended heading will be as under:-

'Purchase or Sales not liable to tax.'

13. Amendment of Section 50 :-

After Section 50 of the Principal Act, the following Section shall be inserted, namely :-

"50A. (1) Every registered dealer making any purchase of goods as mentioned in Schedule VIII from any registered or unregistered dealer or person shall provide

that seller at the time of purchase with a purchase voucher containing such particulars as specified in sub-section 2, and retain a copy thereof.

(2) The purchase voucher shall contain the following particulars on the original as well as copies thereof,

- a) The word "Purchase Voucher" in bold letters at the top or any prominent place,
- b) The name, address and registration certificate number of the purchasing dealer,
- c) The name and complete address of the selling dealer, registration certificate number of the selling dealer or person,
- d) An individual serialized number and the date on which the purchase voucher is issued,
- e) Description, quantity, volume and value of goods purchased and amount of tax charged thereon indicating separately,
- f) Signature of the purchasing dealer or his employee, Manager or Agent, duly authorized by him,
- g) Signature of the selling dealer or his employee, Manager or Agent, duly authorized by him,
- h) The name & address of the printer, and first & last serial number of purchase vouchers printed and supplied by him to the dealer.

(3) Purchase voucher shall be issued in triplicate. The first copy and second copy shall be retained by the purchasing dealer and the original copy shall be issued to the seller or the person from whom the goods were purchased."

14. Amendment of section 75 :-

After Section 75 of the Principal Act, the following Section shall be inserted, namely :-

"75A. Notwithstanding anything contained elsewhere in the Act, if the Commissioner, in course of any proceeding under this Act is satisfied that any dealer has evaded in any way the liability to pay tax, he may direct that such dealer shall pay by way of penalty in addition to the tax payable by him, a sum not exceeding one & half times of that amount but which shall not be less than ten percent of that amount.

Provided that no order under this section shall be made unless the dealer has been heard or has been given a reasonable opportunity of being heard."

15. Amendment of Section 80 :-

In Section 80 of the Principal Act :-

(i) in sub-section (1), for the words & figure "Section 74", the words & figure "Section 75" shall be substituted.

(ii) after sub-section (1), the following sub-section shall be inserted, namely:-
"(1)(a). An officer not below the rank of Asstt. Commissioner of Taxes may accept from a person charged with any other offence a sum of money not exceeding one thousand rupees in addition to tax leviable."

16. Amendment of Section 89 :-

In Section 89 of the Principal Act, after sub-section (1), the following sub-section shall be inserted, namely :-

“(1)A. The Tripura purchase Tax Act 1990 (Act No.9 of 1990) (here in after referred as repealed Act) as in force in the State of Tripura is hereby repealed.

Provided that such repeal shall not affect the previous operation of the said Act or any right, title, obligation or liability already acquired, accrued or incurred thereunder and subject there to, anything done or any action taken including any appointment, notification, notice, order, rule form, regulation, certificate, license or permit in exercise of any power conferred by or under the said Act, shall be valid and always be deemed to have been valid, during the period that Act was in force notwithstanding the repeal of the Act.”

17. Repeal and Saving :-

(i) Tripura Value Added Tax (Amendment) Ordinance, 2007 (Tripura Ordinance No.1 of 2007) is hereby repealed.

(ii) Notwithstanding such repeal of the said Ordinance, anything done, any action taken, order issued, Notification published, proceeding started, appeal preferred, legal effect produced, by or under the provision of the said Ordinance, shall be deemed to have been respectively done, taken, issued, published, started, preferred or produced by or under the corresponding provision of this Act.

Amendment of the Schedule

Schedule II(a)

List of goods taxable @4%.

Sl.no. 15 of schedule – II(a) be deleted because bearing is also used as motor parts, motor cycle/scooter parts, taxable under Sl.No.117 of schedule II(b). Bearing used as machine parts were taxable under Sl.No.106 of II(b). Bearing used as by-cycle/rickshaw parts taxable under Sl.No.18 of schedule II(a). So, confusion is created in the business community as well as customers regarding rate of tax of ‘Bearing’, which may also cause revenue loss. Therefore, in order to clear all doubts as well as to protect revenue all types of ‘Bearing’ is added in (x) after (ix) of Sl.No.106 of Schedule II(b).

Serial no. 25 of schedule II(a) shall be read as under in order to clarify capital goods to remove any confusion regarding classes, types and nature of capital goods.

Sl. no. 25 – Capital goods, such as,

(i) machine, machinery, plant, equipment, apparatus, tools, appliances or electrical installation used for producing, making, extracting or procuring of any goods or for bringing about any change in any substance for manufacturing of final products.

- (ii) Components, spare parts, and accessories of such machine, machinery, plant, equipment, apparatus, tools, appliances on electrical installation used for purposes as stated in serial no. –(i).
- (iii) Moulds and dies used for the purpose of manufacture of goods.
- (iv) Pollution control equipments used for the purpose of manufacture of goods.
- (v) Refractory and refractory materials used for the purpose of manufacture of goods.
- (vi) Storage tank used for the purpose of manufacture of goods.
- (vii) Tubes & pipes and fittings thereof used for the purpose of manufacture of goods.

Sl.No.28(ii) – Cottage cheese is deleted and included in Sl.No.114 of Schedule II(b).

Sl. no. 35 of schedule II(a) shall be read as under :-

Sl. No.35 – Sugar and textiles imported from outside India, Liquefied petroleum gas for domestic use and declared goods as specified in section 14 of the central sales tax Act, 1956.

Sl.No. 38 of schedule –II(a) – deleted.

Sl. No. 38 of schedule II(a) mentioning 'electrodes' is deleted

Note (the item is already included in serial no. 190 of schedule II(b) as 'welding rods').

Sl.No.52 – Handloom machinery and parts & accessories thereof, is deleted and included in the Sl.No.106(xi) of schedule II(b).

Sl.no. 56 of schedule – II(a)- shall be read as under deleting the words 'and packing materials' because packing materials have already been included in Sl.No.141 under schedule II(b).

Sl.No.56 – Industrial inputs as listed in Schedule –VI.

Sl. No. 74 of schedule – II(a) shall be read as under to cover all the items under this category :-

Sl. no. 74- (i) Printed materials including diary, calendar etc.

(ii) Greetings cards, invitation cards and visitors cards(Both blank and printed), humour card, picture card, picture posts cards.

Sl.No.84 – In Sl.No.84, 'Raw rubber etc.' shall be deleted as the said item, i.e., raw rubber etc. have been incorporated in Sl.No.4 of the new Schedule VIII relating to purchase only.

Schedule II(b)
List of goods taxable @12.5%.

Sl. No. 95. Schedule II(b) :- The words " , water filters' shall be deleted.

Note (the item is already included in serial no. 187 of schedule II(b)

Sl. No. 95 of schedule II(b) - to be read as -

“ kitchenware including crockery, cutlery, nonstick wares, heat resistant cookware, cook and serve ware to keep food warm, casseroles, pressure stoves, gas stoves, ovens and similar home appliances not coming under any other entry in this schedule or in any other schedule.”

Sl.No.102 - Liquefied Petroleum Gas for domestic use has been included in Sl.No.35 of schedule II(a) as declared goods taxable @4%. In Sl.No.102, the words 'Liquefied Petroleum Gas other than for domestic use' will remain in lieu of 'Liquefied Petroleum Gas' in the schedule II(b).

Sl. No. 106 of schedule – II(b) - shall be read as under :-

Sl. No. 106 (i) – Machinery of all kinds (other than those specifically mentioned in this schedule) worked by (i) electrically (ii) Nuclear power (iii) Hydro- dynamic and steam power (iv) Diesel or petrol (v) Furnace oil (vi) Kerosene (vii) Coal including cake and charcoal (viii) Any other form of fuel or power (including human or animal labour) (ix) Parts and accessories of all machineries and tools used with the machineries mentioned in sub-items (i) and (iii) above

(x) All kinds of 'Bearings'.

(xi) – Handloom machinery and parts & accessories thereof.

Sl.No.114 – Milk products including condensed milk, ghee, paneer, cheese including cottage cheese, butter, butter oil, ice creams, margarine, whether or not bottled, canned or packed.

Sl.No.141 – The item packing materials have been included in Sl.No.141 of schedule II(b) and excluded from Sl.No.56 of schedule II(a).

Sl. No. 190 of schedule II(b) after the words welding rod “ the words “electrodes” is inserted.

Sl.no. 190 of schedule – II(b) – shall be read as under :-

Sl. No. 190 – welding rods and electrodes.

Schedule II (d)

Sl.No.4- Lottery Tickets deleted.

Schedule III Exempted goods.

Sl. no. 15 – Fishnet, fishnet fabrics, fish seeds / prawn / shrimp seeds, mosquito net.

Sl. no. 21 of schedule –III- shall be read as under in conformity with a Notification issued in this regard on 17-11-05 by Commissioner of Taxes.

Sl. no. 21 – Human blood and blood plasma including blood components.

Sl. no. 31 of schedule – III- shall be read as under :-

Sl. no. 31 – (i) Slate and slate pencil.

(ii) Sugar manufactured or made in India and khandsari.

Sl. No.32 of schedule – III shall be read as under to cover the Notification issued by Commissioner of Taxes on 01-07-05.

Sl.No.32 (A) - Textiles fabrics made wholly or partly of cotton, rayon, artificial silk or wool, manufactured or made in India other than those specified elsewhere in any other schedule.

Sl.No. 32(B) -Tender, green coconut.

Sl. no.33 of schedule III shall be read as under to cover the Notification issued in this regard by Commissioner of Taxes on 01-07-05.

Sl. no. 33 – (i) Toddy, neera and arak.

Schedule VI

The Schedule VI will incorporate at the top the provision “List of goods taxable @4%.”

Schedule VII

The Schedule VII will incorporate at the top the provision “List of goods taxable @4%.”

The following Schedule shall be inserted to the Principal Act namely :-

“ SCHEDULE – VIII

List of goods taxable @ 4%

No.	DESCRIPTION OF GOODS	RATE OF TAX
1	Raw Jute	4%
2	Raw Hides and skins	4%

3	Bamboo converted to sticks for manufacture of Agarbathi	4%
4	Raw rubber, latex, Dry ribbed Sheet of all RMA Grades, tree lace, earth scrap, ammoniated latex, prescribed latex, latex concentrate, centrifugal latex, dry crepe rubber, dry rubber, block rubber crumb, skimmed rubber and all other qualities and grades of latex.	4%

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P.B. Nath
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Government of Tripura.