

No.F.I.-7(6)-TAX/2002  
Government of Tripura  
Finance Department,  
(Excise and Taxation)

Dated Agartala the 25<sup>th</sup> June, 2005.  
30th

MEMORANDUM

Subject :- Deduction of tax at source in respect of works contract and transfer of right to use any goods as per provision of the Tripura Value Added Tax Act, 2004 and the Rules made thereunder.

Attention of all Departments, Head of Departments, State Government Undertakings, Corporations and Organisations and Central Govt. Undertakings, Corporation and Organisations is drawn to the enforcement of the Tripura Value Added Tax Act, 2004 and the Rules made thereunder in the State of Tripura w.e.f 1<sup>st</sup> April, 2005 in place of the Tripura Sales Tax Act, 1976 and the Rules made thereunder w.e.f. 1<sup>st</sup> April, 2005 and stood repealed with certain stipulations.

2. The provisions of section 4(3) of the Tripura Value Added Tax Act, 2004 provides that every person responsible for paying any sum to any person liable to pay tax on account of works contract u/s 4(1) and transfer of right to use any goods for any purpose u/s 4(2) of the Act, shall at the time of credit of such sum to account of the persons or at the time of payment thereof in cash or by issue of a cheque or draft or any other mode, deduct such amount towards Sales Tax as may be prescribed.

3. The Rule 7(1) of the Tripura Value Added Tax Rules, 2005 provides that every person responsible for making payment to



any person for discharge of any liability on account of valuable consideration payable for the transfer of property in goods (whether in goods or in any other form) in pursuance of the works contract shall at the time of making such payment to the contractor either in cash or in any manner, deduct **4%** of the gross amount of the bill towards tax payable in respect of all types of works u/s 4(3) of the Act on account of such works contract.

**4.** Rule 7(2) of the Tripura Value Added Tax Rules, 2005 further provides that every person responsible for making payment to any person for discharge of any liability on account of valuable consideration payable for any transfer of right to use any goods other than the goods in exempted list of the Act for any purpose (whether or not for a specified period) in cash or in any manner, shall at the time of making such payment deduct an amount equal to **4%** of the payment on account of such transfer of right.


**5.** The tax so deducted must be deposited by challan in form XVIII within 7<sup>th</sup> day of the month following that in which deduction is made to Government Treasury and a certificate in form XI should be sent to the concerned Superintendent of Taxes having jurisdiction over the area within 15 days from the date of deposit of such amount.

**6.** The deductions in para 3 and 4 above shall be provisional subject to final assessment of tax which shall be payable against the final bill as per tax schedule of the Value Added Tax Act, 2004 w.e.f 01-04-2005.

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7. All Departments Head of Department, State Govt. Undertakings, Corporation and Organisations and Central Govt. Undertakings, Corporations and Organisations are therefore, requested to issue suitable instructions to the authorities under their control responsible for making payment to any person against works contract and transfer of right to use any goods dully deduct the sales tax component @ 4% (uniform rate) and deposit by challan in form XVIII in proper Head of Account within the specified period.

Due compliance is necessary from the point of State's revenue and any default or non implementation, may have to be viewed strictly as per provisions.

  
 (D. K. Tyagi) 28/6/14  
 Principal Secretary  
 to the Government of Tripura

Copy to :-

1. The Commissioner-Cum-Secretary/Secretary, Department ...
2. All Heads of Department .....
3. All Heads of offices/Drawing and Disbursing Officers .....
4. All State Government Undertakings .....
5. All Central Officers/Undertakings .....

Copy also forwarded to :-

1. All Superintendents of Taxes, Ch-I/II/III/IV/V and VI, Agartala /Udaipur / Kailashahar / Dharmanagar /Ambassa/ Belonia and Churaibari.
2. The General Secretary, All Tripura Contractors Association, Akahura Road Agartala.
3. The Asstt. Commissioners of Taxes..
4. The Dy. Commissioner of Taxes, Agartala/Churaibari.
5. Guard File.