

GOVERNMENT OF TRIPURA
FINANCE DEPARTMENT
(TAXES & EXCISE)

NO.F.1-7(28)-TAX/2002(P)/1241-52

Dated, Agartala, the ^{20th} February, 2016.

M E M O R A N D U M

Subject : Deduction of tax at source in respect of works contract as per provision of the Tripura Value Added Tax Act, 2004 and the Rules made thereunder.

Attention of all the Departments, Head of Departments and Drawing & Disbursing Officers of the State Government and Central Government, State Government / Central Government Undertakings, Corporations & Organisations is drawn to the Memorandum issued by the Government of Tripura in Finance Department, State Government of Tripura regarding deduction of tax at source in respect of works contract as per provision of the Tripura Value Added Tax Act, 2004 and the Rules made thereunder vide No.1-7(6)-TAX/2002 dated 30.06.2005 and Notification dated 1st August, 2012 of the Government of Tripura in Finance Department and also to guidelines issued vide Memorandum dated 22.08.2014 by the Government of Tripura in Finance Department in this regard.

2. It is observed that during previous years most of the Departments / Head of Departments released fund relating to the execution of works contract at the close the Financial Year for which the DDOs were not in a position to make payment to the contractors by 31st March against the bills of execution of works contract due to which tax (VAT) involved in the bills were not deposited into the Government exchequer within 31st March. Because of this a substantial amount of tax revenue of the State could not be accounted for in the relevant financial year.

3. Therefore, all the Departments & Head of Departments of the State Government and Central Government, State Government /

Central Government Undertakings, Corporations & Organisations are requested to release necessary fund relating to the bills of execution of works contract in time and instruct the Drawing & Disbursing Officers under their control for ensuring timely deposit of tax involved in the State Government exchequer in execution of works contract well before 31st March, 2016 so that the tax revenue of the Government is accounted for in the financial year 2015-16.

4. The Memorandums & Notifications as referred to above are annexed herewith.

ema
17/2/16

(Dr. G.S.G. Ayyangar)
Principal Secretary,
Government of Tripura,
Finance Department

Copy to:

1. The Principal Secretary / Commissioner-cum-Secretary / Secretary
2. The Chief Executive Officer, Tripura Tribal Area Autonomous District Council (TTADC), Khumlung, Tripura.
3. All Head of Departments
.....
4. All State / Central Government Undertakings
.....
5. All Head of Office / DDOs of State / Central Government Offices
.....
6. The Commissioner of Taxes & Excise, Government of Tripura, Gurkhabasti, Agartala.
7. The Joint Commissioner of Taxes, Government of Tripura, Agartala.

8. The Deputy Commissioner of Taxes, Government of Tripura, Churaibari for information.
9. The Assistant Commissioner of Taxes, Government of Tripura, Agartala for information.
10. The Superintendent of Taxes (All)
11. The Assistant Statistical Officer, Statistical Section, O/o the Commissioner of Taxes & Excise, Agartala with request to upload the Memo in the Official website www.tripurataxes.nic.in
12. Guard File.

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17/2/16
(Dr. G.S.G. Ayyangar)
Principal Secretary,
Government of Tripura,
Finance Department

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

Dated Agartala the 25th 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 1st April, 2005 in place of the Tripura Sales Tax Act, 1976 and the Rules made thereunder w.e.f. 1st 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 7th 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) 24/6/11
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.

No.F.1-7(8)-TAX/MISC/2004/P-1

GOVERNMENT OF TRIPURA

FINANCE DEPARTMENT

Dated, Agartala, the 22/08/2014

MEMORANDUM

Sub: **Guidelines for recording of the deducted tax at source on works contract, transfer of right to use any goods and any other accounts.**

At present all the Drawing & Disbursing Officers are deducting VAT at source on hiring charges, works contract and same being deposited into government account **through TVAT Challans** in Form-XVIII, **Book Transfer (B.T.) through Treasury Challans** (Treasury Deductions) or **through Schedule** (A.G. Deductions). So, DDOs are deducting and depositing tax in three ways to the Government exchequer.

2. Since introduction of VAT most of the registered Contractors under TVAT Act, 2004 in different charges are doing works contract throughout Tripura irrespective of their jurisdiction in which charge the contractors are registered under TVAT Act. The inconsistency in respect of reflection of the tax deducted at source on works contract arises as most of the contractors are registered in different charges other than the charge under whose jurisdiction the Offices of the DDOs falls and there remains a scope for reflection of such figures in both the charges.

3. Therefore, to avoid the double entry of tax deducted at source by different DDOs, it is decided that henceforth the charge offices under whose jurisdiction, the office of the DDOs falls, shall collect the cheque or challan or evidences of deduction of tax at source on works contract or right to use any goods or any other deduction as the case may be and reflect the entire collection of tax in his collection register even if a part or whole of the amount so received is against contractors registered under some other charge(s). The charge office will maintain proper records of all the taxes so

collected from different DDOs under his jurisdiction. The other charges **shall not** reflect the said collection figures in their collection register even if the contractors are registered under their charges.

4. It is clarified further that Drawing & Disbursing Officer(s) working under him, responsible for deducting tax at source shall deposit the tax so deducted in favour of the Superintendent of Taxes of the charge under whose jurisdiction, the office of the DDOs falls. The deduction is to be made in respect of all contractors irrespective of their registration with the Tax Organization.


5. Contractor will submit copy of the tax deduction certificate issued by the DDO alongwith his returns which will be considered at the time of assessment by the concerned Superintendent of Taxes of his charge.

6. The above instructions shall take immediate effect and shall be in force until further orders.

7. All DDOs and Superintendents of Taxes are requested to follow the above instructions strictly to avoid any future complicity.

8. Any deviation of the above instructions will be viewed seriously for taking further action against the concerned officials as per law.

9. This is issued in supersession of earlier orders vide No.F.I-7(20)-TAX/96(P)/5402-5526 dated 17/04/1997 and F.I-7(6)-TAX/2002(Part)/8703-15 dated 16/07/2005 in this regard.


10.8.14

(Ashutosh Jindal)

Secretary to the
Government of Tripura
Finance Department

To

1. The Superintendent of Taxes, Charge- I/II/III/IV/V/VI/VII/VIII, Palace Compound, Agartala/Dharmanagar / Udaipur / Kailashahar / Belonia/ Ambassa/ Teliamura/ Bishalgarh.

TRIPURA**GAZETTE***Published by Authority***EXTRAORDINARY ISSUE**

Agartala, Wednesday, August 1, 2012 A. D., Sravana 10, 1934 S. E.

PART--I-- Orders and Notifications by the Government of Tripura,
The High Court, Government Treasury etc.

**GOVERNMENT OF TRIPURA
FINANCE DEPARTMENT
(TAXES & EXCISE)**

NO.F.1-1(43)-TAX/2005(P-1)

Dated, Agartala, the 1st August, 2012.**NOTIFICATION**

In exercise of the powers conferred under **Section 87** of the **Tripura Value Added Tax Act, 2004 (Tripura Act No. 1 of 2005)**, the State Government hereby makes the following rules to further amend the Tripura Value Added Tax Rules, 2005, with objective to carry out implementation of various provisions of the Tripura Value Added Tax Act, 2004 specially Section 5 of the said Act:-

1. Short title and commencement

- (1) These Rules may be called the **'Tripura Value Added Tax (Second Amendment) Rules, 2012.'**
- (2) They shall come into force from the date of their publication in official gazette.

2. Amendment of Rule 7

- (i) In sub-rule (1) of Rule 7, the words **"at the rate of eight per centum on the taxable turnover determined by deducting the value of labour charges, service charges & the like charges as prescribed in Rules from"** shall be substituted for the words **"at the rate as notified by the Government from time to time of"** and the words **"provided that till the Government notify the rate, the prevailing rate shall continue"** shall be deleted.
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- (ii) In sub-rule (2) of Rule 7, the words **“equal to six percentum”** shall be substituted for the words **“at the rate as notified by the Government from time to time”** and the words **“provided that till the Government notify the rate, the prevailing rate shall continue”** shall be deleted.

3. Insertion of a new Rule – 7A

After Rule 7 of the Principle Rules, a new rule namely Rule 7A shall be inserted:

“7A – Where accounts maintained by the contractor do not show separately the value of labour and services and amount of profit accrued on such labour and services, or accounts maintained by the dealer are not worthy of credence or if the dealer has not maintained accounts, for the purpose of determining turnover of goods in which transfer of property in goods has taken place, an amount can be deducted towards labour and service charge in contracts described in column 2 of the table given below, at the corresponding rate given in column 3 of the gross amount of contract received or receivable.

Sl. No.	Type of Works contract	Amount to be deducted from the gross amount of the bill of contract (in percentage)
1	2	3
1	Fabrication and installation of plant and machinery.	10%
2	Fabrication and erection of structural works including fabrication, supply and erection of iron trusses, purline.	10%
3	Fabrication and installation of cranes and hoists.	10%

4	Fabrication and installation of elevator(lifts) and escalators	10%
5	Supply and installation of air conditioning equipment including deep freezers, cold storage plants, humidification plants and dehumidifier.	10%
6	Supply and installation of air conditioners and air coolers.	10%
7	Supply and fitting of electrical goods, Supply and installation of electrical equipment including transformers.	15%
8	Supply and fixing of furnitures and fixtures, partitions, including contracts of interior decorations.	10%
9	Construction of railway coaches and wagons on under carriages supplied by railways.	10%
10	Construction of bodies of motor vehicle and construction of trailers.	10%
11	Fabrication and installation of rolling shutters and collapsible gates.	20%
12	Civil works like construction of building, bridge, roads, dams, barrages, spillways and diversions, sewages and drainage system.	25%
13	Installation of doors, doors frames, windows, window frames and grills.	20%
14	Supply and fixing of tiles, slabs, stone and sheets.	20%
15	Sanitary fitting for plumbing, for drainage or sewerage system.	20%
16	Whitewashing, painting, and polishing.	25%
17	Laying of pipes.	20%
18	Tyre retreading.	25%
19	Dying and printing of textiles.	25%
20	Any other works contract.	20%

4. Amendment of Rule 11

In sub-rule (xvi) of Rule 11 the words "**or the evidence that it has been applied for**" shall be deleted.

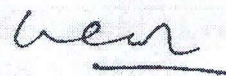
5. Amendment of Rule 36

The sub-rule (3) of Rule 36 is deleted.

6. Amendment of Rule 52

In sub-rule (1) of Rule 52 the words "**rule 49**" are substituted for the words "**rule 69**".

By order of the Governor,



(K. V. Satyanarayana)
Addl. Chief Secretary
Government of Tripura.