

Section	Subsection	Clause	Amendment of Sales Tax Act, 1990.- In the Sales Tax Act, 1990,-	Amended Bill 2014-15 <b>NEW</b> <del>Deletion or Omitted</del>
			In the Sales Tax Act, 1990 the following further amendments shall be made, namely:-	
2		<b>27</b>	<b>Retail Price</b> Condition added  Provided that the Board may through a general order specify zones or areas for the purpose of determination of highest retail price for any brand or variety of goods;	
3	2	<b>aa</b>	<b>Scope of Tax</b> New Schedule introduced - Eighth Schedule (Conditional Reduced Rate of Sales Tax @ of 5%)  goods specified in the Eighth Schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein; and";	
	3	<b>(3B)</b>	New Schedule introduced - Ninth Schedule (Conditional Reduced Rate of Sales Tax charged to Cell Phones and Seattleite Phones at the time of import and registration of IMEI number.)  Notwithstanding anything contained in sub-sections (1) and (3), sales tax on the import and supply of the goods specified in the Ninth Schedule to this Act shall be charged, collected and paid at the rates, in the manner, at the time, and subject to the procedure and conditions as specified therein or as may be prescribed, and the liability to charge, collect and pay the tax shall be on the persons specified therein.";	
		8	Supply of Natural Gas to CNG station  <del>Notwithstanding the rate of sales tax as contained in sub-section (1) and notwithstanding anything contained in any law or notification made there under, in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of nine percent in addition to the sales tax chargeable under sub-section (1) on the value of supply, where the value for the purpose of levy of sales tax shall include price of natural gas, charges, rents, commissions and all local provincial and Federal duties and taxes, but excluding the amount of sales tax, as provided in clause (46) of section 2. This rate shall include the rate of tax chargeable under sub-section (1) and nine percent in lieu of value addition made by the CNG stations. The rate of sales tax under this sub-section shall have effect and shall be deemed to have taken effect on and from the 1st day of July, 2007.</del>  <del>Explanation - The rate of nine percent in lieu of value additional is less than the standard rate of tax chargeable under sub-section (1) as all input tax adjustments have been catered for while determining the figure of nine per cent.</del>	

			<p>Notwithstanding anything contained in any law or notification made there under, in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of <b>seventeen per cent of the value of supply to the CNG consumers</b>, as notified by the Board from time to time, but excluding the amount of tax, as provided in clause (46) of section 2.”;</p> <p>2(46) = Value of Supply means</p>
		9	<p>Retailers under Chapter II of the Sales Tax Special Procedure Rules, 2007. Liable to pay Additional Sales Tax on their monthly electricity bills. Upto Rs. 20,000 Sales Tax Rate @ 5% Exceeds from Rs. 20,000 Sales Tax Rate @ 7.5%</p> <p>Notwithstanding anything contained in sub-section (1), tax shall be charged from retailers through their monthly electricity bills, at the rate of five per cent where the monthly bill amount does not exceed rupees twenty thousand and at the rate of seven and half per cent where the monthly bill amount exceeds the aforesaid amount, subject to the exclusions, procedure, restrictions and limitations as prescribed in Chapter II of the Sales Tax Special Procedure Rules, 2007:</p> <p>Provided that the tax under this sub-section shall be in addition to the tax payable on supply of electricity under sub-sections (1), (1A) and (5).”;</p>
3B			Collection of Excess Sales Tax etc-
	2		<p><del>Any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and no claim for refund in respect of such amount shall be admissible.</del></p> <p>Notwithstanding anything contained in any law or judgment of a court, including the Supreme Court and a High Court, any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and any claim for refund in respect of such amount shall neither be admissible to the registered person nor payable to any court of law or to any person under direction of the court.”;</p>
4		d	<p>Substitute the word “Zero Rated goods” with “ goods supplied at reduced rate of sales tax”</p>
7			Determination of Tax Liability.
	1		<p>Subject to the provisions of section 8 and 8B, for the purpose of determining his tax liability in respect of taxable supplies made during a tax period, a registered person shall, subject to the provisions of section 73, be entitled to deduct input tax paid or payable during the tax period for the purpose of taxable supplies made, or to be made, by him from the output tax ,” excluding the amount of further tax under sub-section (1A) of section 3” that is due from</p>

			him in respect of that tax period and to make such other adjustments as are specified in Section 9:
7	2		A registered person shall not be entitled to deduct input tax from output tax unless.--
	2	iiia	the goods and services against which input tax is claimed are,- (a) imported or purchased for the purpose of sale or re-sale by the registered person on payment of tax; (b) used directly as raw material, ingredient, part, component or packing material by the registered person in the manufacture or production of taxable goods; (c) electricity, natural gas and other fuel consumed directly by the registered person in his declared business premises for the manufacture, production or supply of taxable goods; or (d) plant, machinery and equipment used by the registered person in his declared business premises for the manufacture, production or supply of taxable goods.";
8			<b>Tax Credit Not Allowed.</b>
	1	f	goods and services not related to the taxable supplies made by the registered person
		g	goods and services acquired for personal or non-business consumption;
		h	goods used in, or permanently attached to, immovable property, such as building and construction materials, paints, electrical and sanitary fittings, pipes, wires and cables, but excluding such goods acquired for sale or re-sale or for direct use in the production or manufacture of taxable goods; and
		i	vehicles falling in Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles, electrical and gas appliances, furniture, furnishings, office equipment (excluding electronic cash registers), but excluding such goods acquired for sale or re-sale.";
40			Searches under warrant-
40B			Posting of Inland Revenue Officer
			"Explanation.- For the removal of doubt, it is declared that the powers of the Board, Chief Commissioner and Commissioner under this section are independent of the provisions of section 40.";
50			Power to make rules
<b>50(B)</b>			<b>Electronic Scrutiny and Intimation</b>
	1		The Board may implement a computerized system for the purpose of automated scrutiny, analysis and cross-matching of returns and other available data relating to registered persons and to electronically send intimations to such registered persons about any issue detected by the system.
	2		The intimation sent by the computerized system under sub-section (1) shall be in the nature of an advice or advance notice, aimed at allowing the registered person to clarify the issue, rectify any mistake or take other corrective action before any legal or penal action is initiated.

	3		The computerized system shall keep record of the issues detected, intimations sent, responses received and actions taken, and shall present such information to the officer of Inland Revenue and to the Board in the prescribed manner.
	4		The Board may prescribe procedures and specifications for the smooth and efficient operation of the computerized system.";