

Public Notice Clarification

During past few months, certain commodities have been brought under single stage taxation vide notification Nos. S.O.116/P.A.8/2005/S.8/2013, S.O.117/P.A.8/2005/S.8/2013 dated 13-12-2013, S.O.17/P.A.8/2005/S.8/2014 dated 21-02-2014 and S.O. 23/P.A.8/2005/S.8/2014 dated 25-03-2014. Queries are being received from various quarters regarding filling up of VAT-15 Form regarding these items. In this respect, following clarifications are being issued:-

1. **For First Stage Importers/Manufacturers:** The only effect of the above notifications will be in their output tax liability. For this, it has been seen that in dropdown menu of rates, the new rates mentioned in Schedule 'E' are not there. These new rates are being added to Schedule 'E' and the worksheets, so that it is convenient for such dealers to work out their tax liability.
2. **Subsequent Stage Dealers(Wholesaler, Distributor, Retailer) :** These dealers should adopt the following procedure for filing their returns:-

a) **Treatment of transitional stock** – When the above mentioned notifications were issued, the dealers were requested to declare their stock on the website of the Department. So far as this stock is concerned, a worksheet is being created on the website of the Department and linked with VAT-15. When the dealer opens this worksheet, he will fill the columns of the work sheet. The dealer will be required to submit information regarding the stock sold by him and to pay tax on value addition at the old rate.

Illustration -I : If a dealer had declared a stock of 6.05% goods of Rs.1.00 lac on 1.3.2014, and during the month of March, 2014, he has sold it for Rs.1.20 lacs, then he will be required to pay tax on Rs.20,000/- at the rate of 6.05%.

Illustration-II : In the above case, if the dealer sells stock worth Rs.60,000/- only during the month of March, 2014, then he will simply declare this stock and the balance stock in the worksheet. His tax liability will arise when he sells the entire stock during the future return periods.

b) So far as the other stocks/sales of the dealer are concerned, his VAT-15 will be as earlier. A large number of items will be tax-free in his hands. So, though his GTO remains in tune with his previous returns, but the quantum of his tax-free transactions will be higher and his TTO will be much lower.

c) To take care of the tax liability on the transitional stock as mentioned above, a row is being added in column 6 after row (a) in VAT-15 to reflect the Tax on Transitional Stock. Slightly amended worksheet is being uploaded on the website shortly. The dealers who are affected by this change, will be given extra time to file their returns.

Excise & Taxation Commissioner, Punjab

Work Sheet for the Wholesalers/Retailers/Distributors at subsequent stages dealing in commodities covered under single stage taxation

Name of the Firm

Name of the Proprietor/Partner/Managing Director/Karta/ Authorized Signatory

Address

TIN No.

Registration since

Nature of trade

Declaration of Stock of Goods covered under single stage taxation

Sr No	Previous Rate of tax	Value of stock declared on 31 st December, 2013	Value of stock declared on 28 th February, 2014	Total declared stock (col.3+col.4)	Value of stock sold out of the stocks as in column 5	Closing Stock as on 31 st March, 2014	Tax Liability**
1	2	3	4	5	6	7	8
	6.05%						
	14.30%						
	22.55%						

**Tax liability = (Value of 6.05% stock mentioned in col.6 – Value of 6.05% stock mentioned in col.5) X 6.05% + (Value of 14.30% stock mentioned in col.6 – Value of 14.30% stock mentioned in col.5) X 14.30% + (Value of 22.55% stock mentioned in col.6 – Value of 22.55% stock mentioned in col.5) X 22.55%.

Note: If the tax liability is negative, then it will be treated as nil and it will not be added in the output tax liability. If the tax liability is positive, then it will be added in the output tax liability.