

PUNJAB VIDHAN SABHA SECRETARIAT

Notification

The 8th September, 2008

No. 15-PLA-2008/42.- The Punjab Value Added Tax (Third Amendment) Bill, 2008 is hereby published for general information under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly):-

Bill No. 15-PLA-2008

THE PUNJAB VALUE ADDED TAX (THIRD AMENDMENT)

BILL, 2008

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BILL

Further to amend the Punjab Value Added Tax Act, 2005.

Be it enacted by the Legislature of the State of Punjab in the Fifty-ninth Year of the Republic of India as follows-

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| | 1. (1) This Act may be called the Punjab Value Added Tax (Third Amendment) Act, 2008. (2) It shall be deemed to have come into force on and with effect from the 21 st day of November, 2007. | Short title and commencement |
| | 2. Section 13-A, inserted by the Punjab Value Added Tax (Third Amendment) Act, 2007 (Punjab Act No. 3 of 2008) in the Punjab Value Added Tax Act, 2005, shall be deemed to have been inserted on and with effect from the 21 st day of November, 2007. | Amendment in the date of enforcement of section 13-A of Punjab Act No.8 of 2005 |

STATEMENT OF OBJECTS AND REASONS

After the introduction of Punjab VAT Act, 2005, levy of entry tax was abandoned. With a view to curb evasion of tax it was proposed to levy entry tax on certain commodities under the Punjab Tax on Entry of Goods into Local Areas Act, 2000. The amount collected by way of entry tax would be adjustable against the output tax liability on that commodity under the Punjab VAT Act, 2005. In other words, the entry tax collected would be allowed to the dealer as input tax credit under the Punjab VAT Act, 2005. For this section 13-A of the Punjab VAT Act, 2005 has been amended.

PARKASH SINGH BADAL
Chief Minister, Punjab.

FINANCIAL MEMORANDUM

By levy of entry tax on certain commodities a revenuebb amountingb to Rs. 664.21 crore has been Collected from 21st November, 2007 to 31st July, 2008. The entry tax paid by persons registered under the Punjab VAT Act, 2005, shall, however, be allowed as Input Tax Credit as per provisions of the Act. Net gain is much lower i.e. between 15% to 20% of the total collection.

CHANDIGARH:

The 8th September, 2008

MADAN MOHAN

Secretary.