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GOVERNMENT OF MANIPUR
SECRETARIAT : LAW & LEGISLATIVE AFFAIRS DEPARTMENT

NOTIFICATION

Imphal, the 23rd July, 2012

No. 2/65/2012-Leg/L : The following Act of the Legislature, Manipur which received assent of the Governor of Manipur on 21-7-2012 is hereby published in the Official Gazette.

THE MANIPUR VALUE ADDED TAX (1ST AMENDMENT) ACT, 2012 (MANIPUR ACT NO. 6 OF 2012)

An
Act

further to amend the Manipur Value Added Tax Act, 2004 (Manipur Act No. 6 of 2005).

Be it enacted by the Legislature of Manipur in the Sixty-third year of Republic of India as follows:

1. **Short title, extent and commencement.**-(1) This Act may be called the Manipur Value Added Tax (1st Amendment) Act, 2012.

(2) It extends to the whole of the State of Manipur.

(3) It shall come into force on such date as the State Government may, by notification in the official Gazette, appoint.

2. **Amendment of section 2:**- In section 2 of the Manipur Value Added Tax Act, 2004 (hereinafter called the Principal Act), after clause (xi), the following clauses shall be added, namely,-

“(xia) ‘Contractee’ means any person for whom or for whose benefit a works contract is executed;”

“(xib) ‘Contractor’ means any person who executes a works contract and includes a sub-contractor;”.

3. **Amendment of section 8:**- In sub-section (5) of section 8 of the Principal Act-
(i) in clause (b), the figure “4,00,000/-” shall be substituted by “6,00,000/-”, and
(ii) in clause (c), the figure “3,00,000/-” shall also be substituted by “5,00,000/-”.

4. **Insertion of new section 43A.** - After section 43 of the Principal Act, the following new section 43A shall be added, namely,-

“43A. Special provision relating to deduction of tax at source in certain cases.-

(1)(a) Every person other than an individual, a Hindu Undivided Family (HUF), a firm or a company not under the control of the Government, responsible for making any payment or discharging any liability on account of any amount purporting to be the full or part payment of sale price or consideration for the transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract shall, at the time of credit to the account of or payment to the dealer (hereinafter referred to as 'Contractor') of such amount in cash, by cheque, by adjustment or in any other manner, whatsoever, deduct in the prescribed manner and at the prescribed rate.

- (b) (i) Where on an application or online application being made by any contractor in this behalf, the Tax Authority is satisfied that any works contract under reference is separable and involves both transfer of property in goods and labour and services, or involves only labour and services and accordingly, justifies deduction of tax on a part of the sum payable in respect of any works contract or, as the case may be, justifies no deduction of tax at all, he shall, after giving the contractor a reasonable opportunity of being heard, grant him a certificate as may be appropriate:

Provided that the Tax Authority may reject such application, or on his own motion, cancel or modify such certificate, after giving the contractor a reasonable opportunity of being heard:

Provided further that nothing in the said certificate shall affect the tax liability of the contractor.

- (ii) Where such certificate is produced by the contractor, before the person responsible for payment, such person shall, unless the certificate is cancelled or modified by the Tax Authority, make deduction of tax in accordance with the said certificate. In the event of such certificate being cancelled or modified as provided, such person shall make the deductions accordingly.

(c) Any person mentioned in clause (a) of this sub-section entering into any contract with any contractor for transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract shall furnish within thirty (30) days from the date of signing of the contract such information as may be prescribed to the Tax Authority.

(2) Every person other than an individual, a Hindu Undivided Family, a firm or a company not under the control of the Government responsible for making any payment or discharging any liability on account of any amount purporting to be full or part payment of sale price or consideration for the transfer of the right to use any goods for any purpose, at the time of credit to the account of or payment to the payee of such amount in cash, by cheque, by adjustment or in any other manner, shall deduct an amount calculated at the rate as specified in the schedule.

(3) Every person responsible for paying sales price or consideration or any amount purporting to be the full or part payment of sale price or consideration in respect of any sale or supply of goods liable to tax under this Act to the Government or Corporation, Board, Authority, Undertaking or any other body by whatever name called, owned, financed or controlled wholly or substantially by the Government, at the time of credit to the account of or payment to the payee of such amount in cash, by cheque, by adjustment or in any other manner, whatsoever, shall deduct an amount calculated at the rate as may be specified in the schedule from total sale price of such sale or supply.

(4) Notwithstanding anything contained in any other Law for the time being in force, every person mentioned in sub-section (1), sub-section (2) and sub-section (3) responsible for paying sale price in respect of any works contract or lease or sale or supply of goods shall not enter into such transaction unless the contractor, lessor or seller or supplier, as the case may be, produces an authenticated copy of the certificate of registration under this Act.

(5) Every person referred to in sub-section (1), sub-section (2) and sub-section (3) responsible for paying sale price, shall within the prescribed time apply to the Tax Authority for allotment of a Tax Deduction Account Number (TAN). The number shall be quoted in such documents, statements and returns as may be prescribed.

(6) Any tax deducted under this section shall be paid into the Government account within such time and in such manner accompanied with such documents and statements of account as may be prescribed.

(7) The person making any deduction of tax under this section and paying it into the Government account shall issue to the payee a certificate of tax deduction and payment in such form and manner and within such time as may be prescribed.

(8) Any deduction made in accordance with the provisions of this section and credited into the Government account, shall be treated as payment of tax on behalf of the person and any amount deducted in excess of the tax so assessed or determined shall be refundable in accordance with the provisions of this Act.

(9) The person responsible for deduction of tax shall within the prescribed time after the end of each year, file a return in the prescribed form to the Tax Authority.

(10) No interest or penalty shall be imposed or recovery proceedings against the dealer or payee shall be initiated in respect of deduction of tax under this section.

(11) If any person as referred to in sub-section (1), sub-section (2) and sub-section (3) fails to make the deduction or after making the deduction fails to deposit the amount so deducted into the Government account, the Tax Authority may, after giving such person a reasonable opportunity of being heard, by an order in writing, direct that such person shall pay, by way of penalty, a sum not exceeding double, the amount of tax deductible but not so deducted and, if deducted, not so deposited into the Government account.”

5. Amendment of section 53:- Composition of Tax: After sub-section (3) of section 53 of the Principal Act, the following new sub-sections shall be added, namely,-

“(4) Notwithstanding anything contained in this Act, the Government, may by notification published in the official Gazette provide for a scheme of composition subject to such conditions and restrictions as may be provided therein, permit any dealer liable to pay tax on sales effected by way of transfer of property in goods (whether in goods or in some other form) involved in the execution of works contract, to pay, at his option, in lieu of the amount of tax payable by him under this Act, at the rate specified in the said notification but not exceeding five (5) per centum of the total contract value of the works contract.

(5) A dealer in whose case composition under this section is in force, shall not,-

(i) be entitled to any claim of input tax credit in respect of purchase of any goods by him in the state; and

(ii) issue tax invoice to any dealer who has purchased of goods from him.

(6) The option so exercised under this section shall be final for the year and shall continue for subsequent years until the dealer becomes ineligible, or withdraws his option in writing.”

6. Amendment of section 58:- In section 58-

- (i) in sub-section (1), the figure "20, 00,000" shall be substituted by the figures "60,00,000".
- (ii) after sub-section (3), a new proviso shall be added, namely,-

"Provided that, no penalty shall be imposed under this sub-section in respect of dealer whose tax has been deducted at source."

7. Amendment of section 66:- In sub-section (5) of section 66 of the Principal Act-

- (i) the words "equal to the amount of five times" shall be substituted by the words "equal to twice the amount" and
- (ii) the words & figures "twenty percent (20%)" shall also be substituted by the words and figures "ten percent (10%)".

TH. KAMINI KUMAR SINGH,
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Government of Manipur.