

# Maharashtra VAT, Professional Tax & Luxury Tax

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## Recent Amendments

Udyog Software (India) Ltd.

20/08/2014

**Amendments in Schedule Entries under MVAT Act:**

**1. Schedule A: (w.e.f. 01/04/14):**

Period of exemption extended upto 31/03/15 for:

Entry 9(a): Paddy, Rice, Wheat, Pulses, Flours etc.

Entry 51: Papad, Gur, Chilies, turmeric Solapuri Chaddar, towels etc.

Entry 59: Raisins and Currents

**2. Schedule A: (w.e.f. 01/08/14):**

New Entry 2A: Aircraft Spare parts as may be notified

Entry 39 is substituted. New entry: 39(a): Poha, Lahya & Chirmura (b): Roasted gram & dalwa

New Entry 26A: Copyrights, for distribution and exhibition of cinematographic films in theatres and cinema halls, sold during the period commencing on the 1st April 2005 and ending on the 30th April 2011

**3. Schedule B: (w.e.f. 01/04/14):**

Entry 1: Articles made of precious metals of fineness not less than fifty percent, whether or not containing precious-stones, semi-precious-stones, diamonds or pearls whether real or cultured, and to which entry 105 in Schd. C does not apply but excluding industrial goods and industrial tools to which entry 53A of Schedule "C" applies: 1%

Entry 2: Precious metal that is to say Gold, Silver, Platinum, Osmium, Palladium, Rhodium, Ruthenium & alloys of any of them: 1%

**4. Schedule C: (w.e.f. 01/04/14):**

Period of exemption extended upto 31/03/15 for Entry 108: Tea in leaf or powder form

**5. Schedule C: (w.e.f. 01/08/14):**

Entry 25 is substituted New entry 25(a): Cotton, that is to say, all kinds of cotton (indigenous or imported) in its unmanufactured state, whether ginned or unginned, baled, pressed or otherwise: 2%

25 (b): Cotton Waste: 5%

Entry 83 is substituted New entry 83(a): Roasted pulses, other than roasted gram and dalwa specified in sub-entry (b) of entry 39 of Schedule A, except when served for consumption (b): Fried pulses including fried gram, except when served for consumption

New Entry 107(2A): (w.e.f. 01/08/14):

Capital goods and parts and components thereof, as may be notified by State Government from time to time in the Official Gazette, when sold to the Departments of state or, as the case may be, the Central Government

New Entry 55A & 55B:

55A: Tool, alloy and special steels of any of the categories, specified in clause(x) to clause(xv) of entry 55 of this Schedule, sold during the period commencing on the 1st April 2005 and ending on the 30th April 2011: 4%

55B: Tool, alloy and special steels of any of the categories, specified in clause(x) to clause(xv) of entry 55 of this Schedule, sold on or after the 1st May 2011: 5%

## **Amendments in MVAT Act:**

### **1. *Change in relation to Late Filing Fee:***

Dealers, who have not filed any of the returns till 01/04/14 for period upto Feb 14, can now upload their returns after paying tax and interest on or before 30/09/14. In these cases late filing fee will be only Rs.1000/- per return.

Where a dealer fails to file a return within due date, then he shall pay before filing the return late filing fee of Rs.2000/- if return is filed within 30 days of due date and in any other case Rs.5000/-

### **2. *Changed limit of Turnover for Registration:***

The limit of turnover of Sale/Purch for registration (for dealers other than an importer) is raised from 5 lakh to 10 lakh. That means now for getting RC he has to do a turnover of Rs.10 lakh & make sale or purchase of taxable goods of not less than Rs.10,000/-

Dealers (other than importer) having turnover which is less than Rs.10 lakh in 2013-14 can apply for cancellation of RC before 30/09/14 and there RC will be cancelled w.e.f. 01/10/14

### **3. *Section 23(9) Deleted....:***

Now application in Form 305 cannot be made by a dealer for taking up the case for assessment. Now filing of Form 501 in cases of where refund has been claimed has become almost a must.

### **4. *Proviso added to Section 23(10):***

From period commencing from 01/04/11, if a dealer is required to file more than one return in different forms within a same year, then such dealer may be assessed separately for each form of return for the said period.

### **5. *Changes in Sec.23(11) & (12):***

After filing Form 316 for cancellation of order passed u/s. 23 (2), (3) or (4) the officer has to pass cancellation order in Form 317 within 3 months from the end of the month in which such application is made. Else it will be deemed to be cancelled automatically.

### **6. *Proviso inserted in Sec.26(6) (Appeals):***

In case of an appeal filed after 01/07/14 against an order in which OMS sales are disallowed for non production of Declaration forms, then the stay shall not be granted unless appellant makes 100% payment of TAX amount.

### **7. *Changes in Section 29 (Penalty):***

- 29(3): While passing any order, if officer notices that the dealer has furnished inaccurate particulars or has misclassified sales or has claimed excess setoff or concealed information, then he may levy penalty upto 100% of tax found due but not less than 25% of tax found due.
- 29(7A): In cases where late filing fee is paid then penalty u/s. 29(8) of Rs.5000 should not be recovered.
- 29(11A): Penalty u/s. 29 can be levied upto any time till the time limit for passing of any order under this Act.
- 29(12) Deleted: Now all STO's can impose penalty u/s. 29 without any limitation on amount of penalty.

### **8. *Proviso added to Section 30(4):***

Interest of 25% u/s.30(4) shall not be payable in following two cases:

- (i) If additional tax liability is on account of non production of declaration forms
- (ii) If additional tax liability is less than 10% of tax paid earlier

### 9. Changes in Section 61: (VAT Audit):

- Branch transfer outside the state shall be included in limit of turnover of sales
- Limit of Turnover of Sales or Purchases increased from Rs.60 lakh to Rs. 1cr
- Liquor dealers out of compulsory audit
- Proviso relating to filing of Audit report within one month for circumstances beyond the control of the dealer stands deleted

### 10. Other Miscellaneous Amendments:

- Package Scheme of Incentives to include Package Scheme of Incentives 2013
- Intimation u/s. 63(7) in Form 604 is a must now
- Post of Senior Deputy Commissioner is deleted
- Collection of Tax provision u/s.31A to include quarrying lease or permit in respect of minor minerals

### Amendments in Professional Tax:

New Rate schedule w.e.f. 01/07/2014 for employers paying salary:

Monthly Salary	Rate
Rs. 0 - 7,500	NIL
Rs. 7,501-10,000	Rs.175 p.m.
Above Rs. 10,000	Rs.200 p.m. (Rs.300 for Feb)

Section 27(A)(e) Substituted:

Any person with Intellectual and Development Disabilities (mental retardation) specified in the rules, which is certified by a psychiatrist working in Government Hospital and which has effect of reducing considerably such individual's capacity for normal work or occupation and parents or guardian of such person.

### Amendments in Luxury Tax:

New Rate schedule w.e.f. 01/07/2014:

Charge for Luxury Tax	Rate
Rs. 0 - 1,000	NIL
Rs. 1,001-1,500	4%
Above Rs. 1,500	10%