

Maharashtra VAT: Bill-wise Purchases and Sales Returns to be filed:

Maharashtra Sales Tax Department has issued circular on 25th February 2016 proposing changes in the VAT to be implemented from 1st May 2016. The important part in the circular which is regularly used by every dealer is "VAT Return". In this form the dealers will be required to give invoice wise details in the Sales and Purchase Annexure. For this, Taxpayers will have to careful preplanning.

Sales Tax Department has annexed Sales and Purchase Annexure along-with the Return. In this template, every dealer is required to fill Bill wise details of Purchases and Sales for each Transaction according to the Bill number and Date. It has also been provided to mention the type of Return form e.g. Form 231, Form 232 for every transaction. Further Transaction Code for every transaction is to be mentioned e.g. purchases or sales from Registered Dealer, Non-Registered dealer, etc. All the returns and Purchase and Sales Annexure is made available in the same file.

Proposed by the Sales Tax Department in VAT Return Form:

- 1) If Input Tax Credit is not confirmed, then disallowance and if it is confirmed then allowance for the same will be taken into consideration. Every dealer will be able to see his Input Tax Report. If there is difference in the report it is to be disallowed and later on finding out the differences, it is to be allowed.

For Example: If A files Monthly Returns and he has purchased goods from B (who files returns quarterly). In that case, if A has taken Input Tax Credit for the month of April, but B has not filed return or has not shown Sales to A for the Quarter April to June, then A will have to disallow the Input Tax Credit and the set-off will be allowed when B will file the Return in proper way. This is similar to Form 26 AS of Income Tax.

- 2) Information about Disallowances in VAT (As per Rule 58), Purchases of Capital Assets and for other Purchases with Net and VAT separation is required to be mentioned.
- 3) Earlier Goods Returned, Debit note, Rate Differences were mentioned in the same column and the amount after subtracting was considered. Now Goods Return and Rate Difference will have to be shown separately in Purchases and Sales.
- 4) For Newly Registered Dealer, column for availing deduction up to Basic Exemption limit is given in Sales as well as Purchases.
- 5) For Inter-State Purchases, CST Declaration, i.e. C-Form, E-Form, H-Form, and other Purchases separate column is given. Earlier, all inter-state purchases were shown in the same column.