

Maharashtra State Budget for 2016-17

Mr. Sudhir Mungantiwar, The Honourable Minister (Finance, Planning & Forest) of Maharashtra State has presented the State Budget for 2016-17 yesterday, i.e. on March 19, 2016. We have consolidated the highlights of the tax related proposal presented by Mr. Mungantiwar as a part of his budget speech.

Following is the summary of the proposed changes towards Computerization in Sales Tax Department, Amendments to the Value Added Tax Act, Entry Tax, Profession Tax, Sugarcane Purchase Tax, Motor Vehicle Tax, Lottery Tax, Composition Scheme, Changes to set-off rules and Amnesty Scheme:

1. Exemption from Levy of Sugarcane Purchase Tax for the year 2015-16 to the Sugar Factories which export sugar as per Government policy
2. Amnesty scheme introduced for Profession Tax enrolment holder - Tax liability and penalty will be restricted to previous three years
3. Amnesty scheme introduced for tax administered by Sales Tax - For dues up to 31st March, 2005, the interest and penalty shall be waived and for disputed dues from 1st April, 2005 to 31st March, 2012 subject to full payment of tax, and balance dues will be waived upon payment of 25% interest payment under VAT Act
4. Exemption of VAT on Warping and Sizing of Yarn for promoting the Textile
5. Turnover limit for composition to retailers under the MVAT Act increased from INR 50 Lakh to INR 1 Crore.
6. VAT on the Mammography machines used for detection of breast cancers, will be exempted
7. VAT on sterile water for injections reduced from 12.5% to 5.5%
8. The turnover of tax free goods is excluded for computing the turnover for composition in bakery industries
9. VAT on Retrofit kit fitted to vehicles for physically handicapped will be exempted
10. VAT on LED Tubes reduced from 12.5% to 5.5%
11. VAT on Pyrolysis Oil reduced from 12.5% to 5.5%
12. Profession Tax exemption for the armed personnel of CRPF and BSF
13. Exemption from late fee to the Government aided educational institution for e-filing of Professional Tax returns
14. VAT on Steel Wire Mesh, Barbed Wire and Chain links reduced from 5% to 5.5%
15. VAT on Pencil Box, Stapler pins, Dusters, Gum and Gum-sticks used by student reduced from 12.5% to 5.5%
16. VAT will be exempted on the Bamboo Products excluding Bamboo furniture
17. Amnesty scheme under Industrial Policy 2013 for closed and un-revivable units to be implemented afresh
18. Logistic Hubs will be established to promote the Logistic Industry and Levy of CST will be exempted on the interstate sales initiated from the Logistic Hubs
19. VAT rate has been increased from 5% to 5.5%, excluding declared goods

20. Motor Vehicle Tax enhanced on two wheelers and three wheelers owned by individual - Tax to be based on engine capacity:
 - upto 99cc - 8%;
 - 100cc to 299cc - 9%;
 - 300cc and above - 10%Institutional and Imported Vehicles to be subjected to double the rate of this tax structure
21. The VAT composition tax rate for hotels and restaurants with turnover of sales INR 3 Crores and above has been enhanced to 8%
22. Levy of Entry Tax on Marble and Granite slabs
23. Increase in Lottery Tax on the draws of Lotteries
24. VAT tax on Coconut hair oil sold in pack up to 500 ml enhanced to 12.5%
25. Establishment of Advance Ruling Authority for speedy disposal of disputed questions under Sales Tax Laws
26. Implementation of SAP based Computer system in Sales Tax Department
27. Pilot Project will be started by Sales Tax Department for implementation of Digital Billing system
28. Input Tax Ledger to be made available to the tax payer