



TAMIL NADU GOVERNMENT GAZETTE

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Part IV—Section 1

Tamil Nadu Bills

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**BILLS INTRODUCED IN THE LEGISLATIVE ASSEMBLY OF
THE STATE OF TAMIL NADU**

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 30th October, 2013 is published together with Statement of Objects and Reasons for general information:—

L.A. Bill No. 28 of 2013

A Bill further to amend the Tamil Nadu Value Added Tax Act, 2006.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-fourth Year of the Republic of India as follows:—

Short title and
commence-
ment.

1. (1) This Act may be called the Tamil Nadu Value Added Tax (Fifth Amendment) Act, 2013.

(2) (a) Section 2 shall come into force on such date as the State Government may, by notification, appoint.

(b) Section 3 shall be deemed to have come into force on the 1st day of April 2013.

(c) Section 4 shall come into force at once.

Amendment of
section 19.

2. In section 19 of the Tamil Nadu Value Added Tax Act, 2006 (hereinafter referred to as the principal Act),—

Tamil Nadu Act
32 of 2006.

(1) to sub-section (2), the following proviso shall be added, namely:—

“Provided that input tax credit shall be allowed in excess of three per cent of tax for the purpose specified in clause (v).”;

(2) in sub-section (4), for the expression “three per cent of tax”, the expression “five per cent of tax” shall be substituted.

Amendment of
Second
Schedule.

3. In the Second Schedule to the principal Act,—

(1) for Serial Number 2 and the entries relating thereto, the following Serial Number and entries shall be substituted, namely:—

“2 (i) Alcoholic liquors of all kinds for human consumption, other than liquors falling against Serial Numbers 1 and 3.	At the point of first sale in the State.	58 per cent.
(ii) Alcoholic liquors of all kinds for human consumption, other than Beer, Wine, Draught Beer and liquors falling against Serial Numbers 1 and 3, where basic price per case is,—	At the second point of sale in the State.	
(a) upto Rs. 421		245 per cent.
(b) from Rs. 422 upto Rs. 435		240 per cent.
(c) from Rs. 436 upto Rs. 455		230 per cent.
(d) from Rs. 456 upto Rs. 469		225 per cent.
(e) from Rs. 470 upto Rs. 499		220 per cent.
(f) from Rs. 500 upto Rs. 514		215 per cent.

(g) from Rs. 515 upto Rs. 527	210 per cent.
(h) from Rs. 528 upto Rs. 717	205 per cent.
(i) from Rs. 718 upto Rs. 760	195 per cent.
(j) from Rs. 761 upto Rs. 4726	190 per cent.
(k) from Rs. 4727 and above	185 per cent.

(iii) Beer	At the second point of sale in the State.	260 per cent.
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(iv) Wine	At the second point of sale in the State.	250 per cent.
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(v) Draught Beer	At the second point of sale in the State.	270 per cent.
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(vi) Alcoholic liquors of all kinds for human consumption, other than liquors falling against Serial Numbers 1 and 3.	At the third point of sale in the State	14.5 per cent.”;
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(2) in Explanation I, after clause (b), the following clauses shall be added, namely:-

“(c) “basic price” means the price paid for alcoholic liquors by the Tamil Nadu State Marketing Corporation Limited, a Corporation wholly owned and controlled by the State Government, to the suppliers, which includes ex-factory price and transport charges;

(d) “per case” means alcoholic liquor of 8.640 litres in the case of 180 ml pack and 9.000 litres in the case of other packs.”.

4. In the Sixth Schedule to the principal Act, after Serial Number 12 and the entries relating thereto, the following Serial Numbers and entries shall, respectively, be added, namely:-

Amendment
of Sixth
Schedule.

“13. Vegetable oils including refined vegetable oils.

14. Iron and Steel as specified in clause (iv) of Section 14 of the Central Sales Tax Act, 1956.”.

Central Act 74
of 1956.

STATEMENT OF OBJECTS AND REASONS.

In a manufacturing State like Tamil Nadu, the size and the scale of inter-State transactions are consistently on the rise. Over the years, the increase in input tax credit accumulation on inter-State transactions under the provisions of the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006) has resulted in reduced tax collection to the State. The increase in the volume of inter-State transactions adversely and continuously affect revenue collections under the Value Added Tax consequent on the gradual reduction of rate of Central Sales Tax from 4% to 2% and also due to increase in the tax rates under the said Tamil Nadu Act 32 of 2006 from 4% to 5% and from 12.5% to 14.5%. In order to have certain degree of control over the accumulation of input tax credit, the Government have decided to increase the rate of input tax credit reversal from 3% to 5% on inter-State transfer otherwise than by way of sale and also to make a new provision for reversal of input tax credit at 3% on inter-State sale to a registered dealer.

2. Further, even after a lapse of six years from the date of implementation of the said Tamil Nadu Act 32 of 2006, revenue collections are below the expected level. The gradual reduction in rate of Central Sales Tax from 4% to 2% by the Government of India without adequate compensation has drained the revenue collections. The economic slowdown has further adversely affected the manufacturing State like Tamil Nadu on the revenue front. To manage the adverse fiscal trend, sources have to be identified where revenue flow will be more without any negative impact on the public. The Government have, therefore, decided to increase the rate of tax with retrospective effect from 1.4.2013 on certain alcoholic liquors for human consumption, at the second point of sale in the State on value addition.

3. It is also noticed that vegetable oils intended for inter-State sales are being unloaded and sold in this State itself resulting in evasion of tax and consequential loss of revenue to the Government. The commodity Iron and Steel, which is declared in section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) as goods of special importance in inter-State trade or commerce, is also susceptible to evasion of tax leading to loss of revenue. In order to prevent evasion of tax and to protect the revenue, the Government have decided to include "vegetable oils including refined vegetable oils" and "Iron and Steel as specified in clause (iv) of section 14 of the Central Sales Tax Act, 1956" in the Sixth Schedule to the said Tamil Nadu Act 32 of 2006.

4. The Government have, therefore, decided to amend the Tamil Nadu Value Added Tax Act, 2006 (Tamil Nadu Act 32 of 2006) for the aforesaid purposes.

5. The Bill seeks to achieve the above object.

B V RAMANAA
*Minister for Commercial Taxes
and Registration.*

A.M.P. JAMALUDEEN,
Secretary.

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 30th October, 2013 is published together with Statement of Objects and Reasons for general information:—

L.A. Bill No. 29 of 2013

A Bill to provide for the appropriation of certain further out moneys of the Consolidated Fund of the State for the services and purposes of the financial year which commenced on the 1st day of April 2013.

BE in enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-fourth Year of the Republic of India as follows:-

1. This Act may be called the Tamil Nadu Appropriation (No. 3) Act, 2013. Short title.
2. The State Government may appropriate out of the Consolidated Fund of the State for the services and purposes of the financial year which commenced on the 1st day of April 2013, a further sum not exceeding Five thousand eight hundred and ninety eight crore nineteen lakh and twenty five thousand rupees, being moneys required to meet—
 - (a) the supplementary grants made by the Tamil Nadu Legislative Assembly for the year, as set forth in column (3) of the Schedule; and
 - (b) the supplementary expenditure *charged* on the Consolidated Fund of the State for that year, as set forth in column (4) of the Schedule.Supplementary Appropriation out of the Consolidated Fund of the State for the services and purposes of the financial year which commenced on the 1st day of April 2013.

THE SCHEDULE

(See Section 2)

Demand Number	Services and Purposes	Sums not exceeding		
		Voted by the Legislative Assembly	Charged on the Consolidated Fund of the State	Total
		(3)	(4)	(5)
(1)	(2)	Rs.	Rs.	Rs.
2	Governor and Council of Ministers	Revenue	13,40,000	13,40,000
		Capital	...	...
		Loan	...	...
3	Administration of Justice	Revenue	2,96,19,000	2,96,21,000
		Capital	...	...
		Loan	...	...
4	Adi-Dravidar and Tribal Welfare Department	Revenue	570,62,83,000	570,62,83,000
		Capital	1,000	1,000
		Loan	...	...
5	Agriculture Department	Revenue	87,87,34,000	87,87,34,000
		Capital	2,000	2,000
		Loan	...	...

THE SCHEDULE

(See Section 2)

		Sums not exceeding			
Demand Number	Services and Purposes		Voted by the Legislative Assembly	Charged on the Consolidated Fund of the State	Total
(1)	(2)		(3)	(4)	(5)
			Rs.	Rs.	Rs.
6	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	Revenue	12,96,51,000	...	12,96,51,000
		Capital	1,000	...	1,000
		Loan	...	...	...
7	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	Revenue	6,000		6,000
		Capital	1,000		1,000
		Loan	...	...	...
9	Backward Classes, Most Backward Classes and Minorities Welfare Department	Revenue	78,000	6,47,93,000	6.48,71,000
		Capital	3,000	...	3,000
		Loan	...	...	...
10	Commercial Taxes (Commercial Taxes and Registration Department)	Revenue	16,90,000		16,90,000
		Capital	...	...	...
		Loan	...	...	...
11	Stamps and Registration (Commercial Taxes and Registration Department)	Revenue	1,000		1,000
		Capital	...	...	...
		Loan	...	...	...
12	Co-operation (Co-operation, Food and Consumer Protection Department)	Revenue	76,65,000	...	76,65,000
		Capital	1,000	...	1,000
		Loan	...	...	...
13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	Revenue	21,29,000	...	21,29,000
		Capital	...	...	...
		Loan	...	...	...
14	Energy Department	Revenue	3,000	...	3,000
		Capital	...	...	...
		Loan	37,50,00,000	...	37,50,00,000
15	Environment (Environment and Forests Department)	Revenue	2,77,00,000	...	2,77,00,000
		Capital	1,000	...	1,000
		Loan	...	...	...
16	Finance Department	Revenue	1,000		1,000
		Capital	...	...	...
		Loan	...	...	...

THE SCHEDULE

(See Section 2)

		Sums not exceeding			
Demand Number	Services and Purposes		Voted by the Legislative Assembly	Charged on the Consolidated Fund of the State	Total
(1)	(2)		(3)	(4)	(5)
			Rs.	Rs.	Rs.
17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	Revenue	140,11,02,000	...	140,11,02,000
		Capital	...	...	...
		Loan	25,53,32,000	...	25,53,32,000
18	Khadi Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	Revenue	1,78,00,000	...	1,78,00,000
		Capital	66,25,000	...	66,25,000
		Loan	...	...	...
19	Health and Family Welfare Department	Revenue	6,11,24,000	...	6,11,24,000
		Capital	2,000	...	2,000
		Loan	...	...	...
20	Higher Education Department	Revenue	15,000	...	15,000
		Capital	3,000	...	3,000
		Loan	...	...	...
21	Highways and Minor Ports Department	Revenue	1,000	...	1,000
		Capital	2,91,96,000	...	2,91,96,000
		Loan	...	...	...
22	Police (Home, Prohibition and Excise Department)	Revenue	75,10,06,000	...	75,10,06,000
		Capital	1,000	...	1,000
		Loan	276,70,21,000	...	276,70,21,000
23	Fire and Rescue Services (Home, Prohibition and Excise Department)	Revenue	1,51,79,000	...	1,51,79,000
		Capital	...	...	...
		Loan	8,71,00,000	...	8,71,00,000
24	Prisons (Home, Prohibition and Excise Department)	Revenue	4,52,57,000	...	4,52,57,000
		Capital	1,00,00,000	...	1,00,00,000
		Loan	...	...	...
25	Motor Vehicles Acts-Administration (Home, Prohibition and Excise Department)	Revenue	1,000	...	1,000
		Capital	1,000	...	1,000
		Loan	...	...	...
26	Housing and Urban Development Department	Revenue	3,000	...	3,000
		Capital	1,000	...	1,000
		Loan	...	...	...

THE SCHEDULE

(See Section 2)

Demand Number	Services and Purposes	Sums not exceeding		
		Voted by the Legislative Assembly	Charged on the Consolidated Fund of the State	Total
		(3)	(4)	(5)
(1)	(2)	Rs.	Rs.	Rs.
27	Industries Department	Revenue	1,000	1,000
		Capital	...	...
		Loan	137,50,00,000	137,50,00,000
28	Information and Publicity (Tamil Development and Information Department)	Revenue	13,02,75,000	13,02,75,000
		Capital	1,000	1,000
		Loan	...	...
29	Tourism-Art and Culture (Tourism, Culture and Religious Endowments Department)	Revenue	12,000	12,000
		Capital	4,000	4,000
		Loan	...	...
30	Stationery and Printing (Tamil Development and Information Department)	Revenue	2,000	2,000
		Capital	2,000	2,000
		Loan	...	...
31	Information Technology Department	Revenue	78,99,16,000	78,99,16,000
		Capital	...	...
		Loan	...	...
32	Labour and Employment Department	Revenue	9,04,000	9,04,000
		Capital	2,000	2,000
		Loan	...	...
33	Law Department	Revenue	5,34,38,000	5,34,38,000
		Capital	...	...
		Loan	...	...
34	Municipal Administration and Water Supply Department	Revenue	49,88,000	49,88,000
		Capital	3,000	3,000
		Loan	100,00,00,000	100,00,00,000
35	Personnel and Administrative Reforms Department	Revenue	28,41,000	28,41,000
		Capital	...	...
		Loan	...	...
36	Planning, Development and Special Initiatives Department	Revenue	1,000	1,000
		Capital	...	...
		Loan	...	...

THE SCHEDULE

(See Section 2)

Demand Number	Services and Purposes	Sums not exceeding		
		Voted by the Legislative Assembly	Charged on the Consolidated Fund of the State	Total
		(3)	(4)	(5)
(1)	(2)	Rs.	Rs.	Rs.
37	Prohibition and Excise (Home, Prohibition and Excise Department)	Revenue 1,000	...	1,000
		Capital ...	...	...
		Loan ...	...	...
38	Public Department	Revenue 14,000	...	14,000
		Capital ...	...	...
		Loan ...	...	...
39	Buildings (Public Works Department)	Revenue 1,000	...	1,000
		Capital 5,00,11,000	...	5,00,11,000
		Loan ...	...	...
40	Irrigation (Public Works Department)	Revenue 110,18,59,000	...	110,18,59,000
		Capital 1,00,35,000	2,86,38,000	3,86,73,000
		Loan ...	...	...
41	Revenue Department	Revenue 14,93,29,000	...	14,93,29,000
		Capital ...	...	...
		Loan ...	...	...
42	Rural Development and Panchayat Raj Department	Revenue 23,18,53,000	...	23,18,53,000
		Capital 440,03,38,000	...	440,03,38,000
		Loan ...	...	...
43	School Education Department	Revenue 100,57,29,000	...	100,57,29,000
		Capital ...	...	...
		Loan ...	...	...
44	Micro, Small and Medium Enterprises Department	Revenue 2,00,01,000	...	2,00,01,000
		Capital ...	...	...
		Loan ...	...	...
45	Social Welfare and Nutritious Meal Programme Department	Revenue 240,23,31,000	...	240,23,31,000
		Capital ...	...	...
		Loan ...	...	...
46	Tamil Development (Tamil Development and Information Department)	Revenue 60,03,000	...	60,03,000
		Capital ...	...	...
		Loan ...	...	...

THE SCHEDULE

(See Section 2)

Demand Number	Services and Purposes	Sums not exceeding		
		Voted by the Legislative Assembly	Charged on the Consolidated Fund of the State	Total
		(3)	(4)	(5)
(1)	(2)	Rs.	Rs.	Rs.
47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	Revenue 5,00,00,000	...	5,00,00,000
		Capital ...	...	...
		Loan ...	...	...
48	Transport Department	Revenue 297,60,01,000	...	297,60,01,000
		Capital ...	...	...
		Loan 24,39,50,000	...	24,39,50,000
49	Youth Welfare and Sports Development Department	Revenue 56,32,04,000	...	56,32,04,000
		Capital ...	...	...
		Loan ...	...	...
50	Pension and Other Retirement Benefits	Revenue 2,84,74,000	...	2,84,74,000
		Capital ...	...	...
		Loan ...	...	...
51	Relief on Account of Natural Calamities	Revenue 1,458,73,04,000	...	1,458,73,04,000
		Capital ...	...	...
		Loan ...	...	...
52	Department for the Welfare of Differently Abled Persons	Revenue 4,00,10,000	...	4,00,10,000
		Capital ...	...	...
		Loan ...	...	...
53	Department of Special Programme Implementation	Revenue 1,500,00,00,000	...	1,500,00,00,000
		Capital ...	...	...
		Loan ...	...	...
54	Forests (Environment and Forests Department)	Revenue 1,10,52,000	...	1,10,52,000
		Capital 2,81,06,000	...	2,81,06,000
		Loan ...	...	...
	PUBLIC DEBT - REPAYMENT	Revenue ...	...	...
		Capital ...	...	...
		Loan ...	1,88,16,000	1,88,16,000
	Total	Revenue 4,823,19,32,000	6,47,95,000	4,829,67,27,000
		Capital 453,43,41,000	2,86,38,000	456,29,79,000
		Loan 610,34,03,000	1,88,16,000	612,22,19,000
	Grand Total	5,886,96,76,000	11,22,49,000	5,898,19,25,000

STATEMENT OF OBJECTS AND REASONS.

This Bill is introduced in pursuance of Article 205, read with clause (1) of Article 204, of the Constitution to provide for the appropriation out of the Consolidated Fund of the State, of the moneys required to meet—

- (a) The supplementary grants made by the Tamil Nadu Legislative Assembly for the financial year which commenced on the 1st day of April 2013; and
- (b) The Supplementary expenditure charged on the Consolidated Fund of the State for that year.

O. PANNEERSELVAM,
Minister for Finance.

A.M.P. JAMALUDEEN,
Secretary.