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TAMIL NADU GOVERNMENT GAZETTE

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Part IV—Section 1

Tamil Nadu Bills

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 Tamil Nadu on 7th August, 2026 is published together with Statement of Objects and Reasons for general information:-

L.A.Bill No. 14 of 2026

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 Seventy-seventh Year of the Republic of India as follows:

Short title and commencement.

1. (1) This Act may be called the Tamil Nadu Value Added Tax (Amendment) Act, 2026.

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

Insertion of new section 3-A.

2. After section 3 of the Tamil Nadu Value Added Tax Act, 2006, the following section shall be inserted, namely:-

Tamil Nadu Act 32 of 2006.

"**3-A. Levy of Environmental and Social Welfare Cess.**—(1) Notwithstanding anything contained in this Act and in addition to the tax leviable under section 3, every dealer shall be liable to pay a cess, namely, Environmental and Social Welfare Cess, on the sale of alcoholic liquor for human consumption, at such point of sale in the State and at such rate not exceeding rupees twenty per unit container containing alcoholic liquor, as may be specified by the Government by notification, and different rates may be specified in respect of different kinds and quantities of alcoholic liquor and in respect of different kinds of unit containers containing alcoholic liquor.

(2) The Government may utilise the proceeds of the cess levied under sub-section (1) for any or all of the following purposes, namely:-

(a) facilitation of recycling, safe disposal and reuse of unit containers;

(b rehabilitation and de-addiction programs for individuals suffering from alcohol addiction;

(c) welfare measures and livelihood support for families of the persons affected by alcohol addiction;

(d) awareness and education campaigns highlighting the ill-effects of alcohol consumption and the adverse environmental hazards caused by improper disposal of unit containers;

(e) protection and restoration of ecology, forest and wildlife; and

(f) any other purpose relating to environmental and social welfare as may be prescribed by rules.

(3) The cess levied under sub-section (1) shall not form part of the taxable turnover for the purposes of this Act.

Explanation.—For the purpose of this section, "unit container" means a container in the form of bottle, jar, flask, pot, tin, can, tetra pack or any other similar receptacle designed to hold a specified quantity of alcoholic liquor for human consumption.".

STATEMENT OF OBJECTS AND REASONS

The Government is increasingly concerned about the adverse social and environmental impacts caused by consumption of alcoholic liquor and the glass and plastic waste arising therefrom. It has also been observed that improper disposal and inadequate recycling of the containers of alcoholic liquor contribute significantly to ecological degradation, endangering of wildlife and public health concerns.

2. Further, various judicial decisions have underscored the responsibility of the State to mitigate such adverse impacts. The Government considers it necessary to take appropriate fiscal and regulatory measures to mitigate these adverse social and environmental impacts and to promote environmentally sustainable practices.

3. Accordingly, the Government proposes to levy a cess namely, ‘Environmental and Social Welfare Cess’ on the sale of alcoholic liquor. The proceeds of cess will be utilised for any or all of the following purposes, namely, (a) facilitation of proper recycling, safe disposal and reuse of containers of alcoholic liquor; (b) rehabilitation and de-addiction programs for individuals suffering from alcohol addiction; (c) welfare measures and livelihood support for families of the persons affected by alcohol addiction; (d) awareness and education campaigns highlighting the ill-effects of alcohol consumption and the adverse environmental hazards caused by improper disposal of containers of alcoholic liquor; (e) protection and restoration of ecology, forest and wildlife; and (f) any other purpose relating to environmental and social welfare as may be prescribed by rules.

4. The Government have, therefore, decided to amend the Tamil Nadu Value Added Tax Act, 2006, suitably for the said purpose.

5. The Bill seeks to give effect to the above decision.

D. LOGESH TAMILSELVAN,
Minister for Commercial Taxes and Registration.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clauses 1(2) and 2 of the Bill authorise the Government to issue notifications or to make rules, as the case may be, for the purposes specified therein.

2. The powers delegated are normal and not of an exceptional character.

D. LOGESH TAMILSELVAN,
Minister for Commercial Taxes and Registration.

Secretariat,
Chennai-9,
7th August 2026.

R. SANTHI,
Secretary.

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