

THE UTTARAKHAND VALUE ADDED TAX ACT, 2005

Sec. 7: Composition Schemes;

(1) Levy of Presumptive Tax on registered retailers: All registered retailers, whose gross turnover of sales within the State, excluding the sale of goods specified in Schedule II (C) and Schedule III, and the goods specified in Schedule I on which additional excise duty is leviable under Additional Duties of Excise(Goods of Special Importance) Act, 1957, in any assessment year, is neither likely to exceed fifty lakh rupees nor his such turnover, for the assessment year preceding such assessment year, has exceeded fifty lakh rupees, subject to such conditions and restrictions as may be prescribed, shall pay, in lieu of the tax under the provisions of this Act, a tax on the entire turnover of such sales excluding sale of goods specified above at the rate of 1% on such turnover. Such dealer shall not be entitled to charge or collect any tax on such sales and shall not be entitled to any input tax credit on his purchases:

Provided that this sub-section shall not apply to a registered retailer who is an importer or manufacturer and imports goods within the territory of India or exports the goods outside the territory or transfers right of ownership of property (whether goods or in some other form) involved in execution work contracts or in case of transfer of the right to use goods for any purpose (whether or not for a specified period).

Provided further that if a registered retailer does not exercise option to pay tax as per the provisions of this sub-section, he shall be liable to pay tax as per the provisions of section 3 of this Act.

Explanation: Where a dealer has exercised the option to pay tax under this sub-section, he shall be liable to pay tax during the year accordingly even if the turnover exceeds the amount mentioned above.

(substituted vide notification no.- 204/XXXVI(3)/27/2008 Dt. 22-12-2008 as above)

prior to the substitution this sub-section (1) read as under:-

(1) Levy of Presumptive Tax for registered retailers: All registered retailers whose gross turnover of sales within the State in the previous year, excluding the sale of goods specified in Schedule II (C), Schedule III and the goods specified in Schedule I on which additional excise duty is leviable under Additional Duties of Excise (Goods of Special Importance) Act, 1957, does not exceed rupees fifty lakhs, subject to such conditions and restrictions as may be prescribed, shall pay, in lieu of the tax under the provisions of this Act, a tax on the entire turnover of such sales excluding sale of goods specified above at the rate of 1% on such turnover. Such dealer shall not be entitled to charge or collect any tax on such sales and shall not be entitled to any input tax credit on his purchases:

Provided that this sub-section shall not apply to a registered retailer who manufactures goods within the State or imports goods from outside the State, or who imports goods from outside the territory of India, or in case of transfer of property in goods (whether as goods or in some other form) involved in execution works contract or in case of transfer of the right to use goods for any purpose (whether or not for a specified period.

Provided further that if a registered retailer does not exercise option to pay tax as per the provisions of this sub-section, he shall be liable to pay tax as per the provisions of section 3 of this Act.

Explanation: Where a dealer has exercised the option to pay tax under this sub-section, he shall be liable to pay tax during the year accordingly even if the turnover exceeds the amount mentioned above.

(2) Payment of money in lump sum in lieu of tax:

(a) Notwithstanding anything contained in this Act, but subject to the directions of the State Government, the assessing authority may agree to accept a composition money either in lump sum or at an agreed rate on his turnover in lieu of tax that may be payable by a dealer in respect of such goods or class of goods and for such period as may be agreed upon and such dealer shall not realize from any person any amount in lieu of composition money by giving it a different name or colour, by way of tax on sale of goods and no input tax credit shall be allowed on his purchases.

Provided that this section shall not apply to a registered dealer who imports goods inside or exports goods outside the territory of India.

(b) Where a composition money for a period has been accepted in respect of a single commodity any change in the rate of tax which may come into force after the date of such agreement shall have the effect of making a proportionate change in the lump sum or the rate agreed upon in relation to that part of the assessment during which the changed rate remains in force.

(c) Where the State Government is of the opinion that it is no longer in the public interest to continue any scheme of composition of tax liability, it may at any time during the period, withdraw such scheme and in that case if a lump sum amount of composition money has been fixed, a part of it in proportion to the part of the period during which the scheme remained in force shall be payable by the dealer.

Explanation: For the purpose of this section the dealer includes –

(i) a dealer who makes sale of goods by way of transfer of property in goods (whether as goods or in some other form) involved in a works contract, or

(ii) a dealer who makes sale of goods by way of transfer of right to use of any goods (whether or not for a fixed period) for any purpose.