THE UTTARAKHAND VALUE ADDED TAX ACT, 2005

Sec. 5: Net Tax Payable:

(1) The net tax payable by a taxable person for a tax period shall be determined by the formula:

$$\text{Net tax payable} = (A+B) - C$$

Where "A" is Output Tax being the total of the tax payable as per sub-section (2) below: and

"B" is Tax on Purchases for the said tax period under the provisions of sub-section (10) of section 3: and

"C" is Input Tax being the total of the tax paid as per sub-section (3) below and subject to the provisions of section 6.

(2) Output Tax- (a) Output tax in relation to a registered dealer means the tax charged or chargeable under this Act in respect of any sale or supply of taxable goods made by the dealer in the course of his business and includes tax paid by a commission agent in respect of sale of taxable goods made on behalf of such dealer;

(b) Subject to the provisions of section 6, a dealer shall be liable to pay the output tax under this Act leviable on the taxable turnover at the rate and subject to such conditions as may be prescribed from time to time.

(3) Input Tax- Subject to the provisions of section 6, Input tax in relation to any registered dealer means the tax paid or payable under this Act by the dealer to another registered dealer on the purchase of any taxable goods
other than Special Category Goods, in the course of business for resale or for use in manufacturing or processing of such taxable goods for sale or for use as container or packing materials for packing of such manufactured goods.

(4) The net tax payable by a dealer liable to pay tax but not registered under this Act for a tax period shall be equal to the output tax and tax on purchases, if any, payable for the said period.

(5) Every taxable person shall pay in full the tax payable by him for the tax period at the time that person is required to file his return pursuant to sub-section (1) of section 23.

(6) If the amount calculated under sub-section (1) is a negative quantum, the same shall be adjusted against tax liability, if any, or refunded as per the provisions under sub-section (10), sub-section (11), sub-section (12) and sub-section (13) of section 6 of this Act.