

THE UTTARAKHAND VALUE ADDED TAX RULES, 2005

14: Determination of turnover of goods involved in the execution of Works Contracts:

(1) The tax under clause (b) of sub-section (5) of section 4 on the turnover relating to business of transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract shall be computed on the net turnover relating to works contract.

(2) For the purposes of determining the net turnover referred to in sub-rule (1) the following amounts shall be deducted from the total amount received or receivable by a dealer ó

(a) the amount representing the sale value of the goods covered by section 3, section 4 and section 5 of the Central Sales Tax Act, 1956;

(b) the amount representing the value of the goods exempted under any provision of the Act;

(c) the amount representing the value of the goods on the sale or purchase where tax has been levied or is livable under the Act at some earlier stage;

(d) the amount representing the value of the goods supplied to the contractor by the contractee, but the ownership of such goods remains with the contractee under the terms of the contract;

(e) the amount representing the labour charges for the execution of the works contract;

(f) all amounts paid to the sub-contractors as the consideration for execution of the works contract, whether wholly or in part:

Provided that no deduction under this sub-clause shall be allowed unless the dealer claiming deduction produces proof that the sub-contractor is a

registered dealer liable to tax under the Act and that such amount is included in the return of turnover filed by such sub- contractor under the provisions of the Act;

(g) the amount representing the charges for planning, designing and architects fees;

(h) the amount representing the charges for obtaining on hire or otherwise machinery and tools used for execution of the works contract;

(i) the amount representing the cost of consumables used in the execution of the works contract, the property in which is not transferred in the execution of the contract;

(j) the amount representing the cost of establishment and other similar expenses of the contractor to the extent it is relatable to supply of labour and services;

(k) the amount representing the profit earned by the contractor to the extent it is relatable to the supply of labour and services.

Explanation: For the purposes of this rule, gross turnover means the aggregate of the amounts received or receivable by a dealer in an assessment year as valuable consideration for the transfer of property in goods used in the execution of a works contract, whether or not the amount receivable as valuable consideration for such transfer is separately shown in the works contract and whether the execution of such works contract commenced during the year or earlier, and includes any advance received by the dealer towards valuable consideration of the works contract.

(3) If the contractor does not maintain proper accounts or if he has maintained the account but amount actually incurred towards charges for labour and other services mentioned in subrule (2) and profit relating to supply of labour and services or sale price of goods involved in the execution of works contract are

not ascertainable, then the State Government may, by notification, determine such deductible amount or the sale value of goods involved in the execution of works contract.