

# THE TAXATION LAWS (AMENDMENT) ACT, 2007

No. 16 of 2007

[26th March, 2007.]

**An Act further to amend the Central Sales Tax Act, 1956 and the Additional Duties of Excise (Goods of Special Importance) Act, 1957.**

**BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—**

## CHAPTER I

### PRELIMINARY

**1. (1) This Act may be called the Taxation Laws (Amendment) Act, 2007.**

**(2) It shall come into force on \*such date as the Central Government may, by notification in the Official Gazette, appoint.**

Short title  
and com-  
mencement.

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\* w.e.f. 1-04-2007 : *Vide* S.O. 464 dated 29-3-2007.

## CHAPTER II

## CENTRAL SALES TAX

74 of 1958

2. In the Central Sales Tax Act, 1956 (hereinafter in this Chapter referred to as the principal Act), in section 6, for sub-section (2), the following sub-section shall be substituted, namely:—

Amendment  
of section 6.

"(2) Notwithstanding anything contained in sub-section (1) or sub-section (1A), where a sale of any goods in the course of inter-State trade or commerce has either occasioned the movement of such goods from one State to another or has been effected by a transfer of documents of title to such goods during their movement from one State to another, any subsequent sale during such movement effected by a transfer of documents of title to such goods to a registered dealer, if the goods are of the description referred to in sub-section (3) of section 8, shall be exempt from tax under this Act:

Provided that no such subsequent sale shall be exempt from tax under this sub-section unless the dealer effecting the sale furnishes to the prescribed authority in the prescribed manner and within the prescribed time or within such further time as that authority may, for sufficient cause, permit,—

(a) a certificate duly filled and signed by the registered dealer from whom the goods were purchased containing the prescribed particulars in a prescribed form obtained from the prescribed authority; and

(b) if the subsequent sale is made to a registered dealer, a declaration referred to in sub-section (4) of section 8:

Provided further that it shall not be necessary to furnish the declaration referred to in clause (b) of the preceding proviso in respect of a subsequent sale of goods if,—

(a) the sale or purchase of such goods is, under the sales tax law of the appropriate State exempt from tax generally or is subject to tax generally at a rate which is lower than three per cent. or such reduced rate as may be notified by the Central Government, by notification in the Official Gazette, under sub-section (1) of section 8 (whether called a tax or fee or by any other name); and

(b) the dealer effecting such subsequent sale proves to the satisfaction of the authority referred to in the preceding proviso that such sale is of the nature referred to in this sub-section."

3. In section 7 of the principal Act, in sub-section (2A), for the words, brackets, letter and figures "clause (a) of sub-section (4) of section 8", the words, brackets and figures "sub-section (4) of section 8" shall be substituted.

Amendment  
of section 7.

4. In section 8 of the principal Act,—

Amendment  
of section 8.

(a) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) Every dealer, who in the course of inter-State trade or commerce, sells to a registered dealer goods of the description referred to in sub-section (3), shall be liable to pay tax under this Act, which shall be three per cent. of his turnover or at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State, whichever is lower:

Provided that the Central Government may, by notification in the Official Gazette, reduce the rate of tax under this sub-section.

(2) The tax payable by any dealer on his turnover in so far as the turnover or any part thereof relates to the sale of goods in the course of inter-State trade or commerce not falling within sub-section (1), shall be at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State.

*Explanation.*—For the purposes of this sub-section, a dealer shall be deemed to be a dealer liable to pay tax under the sales tax law of the appropriate State, notwithstanding that he, in fact, may not be so liable under that law.”:

(b) in sub-section (3), in the opening portion, for the words, brackets, figure and letter "The goods referred to in clause (b) of sub-section (1)", the following shall be substituted, namely:—

"The goods referred to in sub-section (1),—”:

(c) for sub-section (4), the following shall be substituted, namely:—

"(4) The provisions of sub-section (1) shall not apply to any sale in the course of inter-State trade or commerce unless the dealer selling the goods furnishes to the prescribed authority in the prescribed manner a declaration duly filled and signed by the registered dealer to whom the goods are sold containing the prescribed particulars in a prescribed form obtained from the prescribed authority:

Provided that the declaration is furnished within the prescribed time or within such further time as that authority may, for sufficient cause, permit.”:

(d) in sub-section (5), in clauses (a) and (b), the words "or the Government" and the words, brackets and figure "or sub-section (2)", wherever they occur, shall be omitted.

Amendment  
of section 9.

5. In section 9 of the principal Act, in sub-section (1), in the proviso, in clause (a), for the words, letter, brackets and figures "clause (a) of sub-section (4) of section 8", the words, brackets and figures "sub-section (4) of section 8" shall be substituted.

Amendment  
of section 10.

6. In section 10 of the principal Act, in clause (a), the words "certificate or" shall be omitted.

Amendment  
of section  
10A.

7. In section 10A of the principal Act, in sub-section (2), in clause (a), for the words, letter, brackets and figures "clause (a) of sub-section (4) of section 8", the words, brackets and figures "sub-section (4) of section 8" shall be substituted.

Amendment  
of section 14.

8. In section 14 of the principal Act, clause (ix) shall be omitted.

### CHAPTER III

#### ADDITIONAL DUTIES OF EXCISE

Omission of  
section 4.

9. In the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act), section 4 shall be omitted. 58 of 1957.

**10. In the Additional Duties of Excise Act, in the First Schedule, headings 2401, 2402 and 2403, and sub-headings and tariff items thereunder, and the entries relating thereto shall be omitted.**

**Amendment  
of First  
Schedule.**

**11. In the Additional Duties of Excise Act, the Second Schedule shall be omitted.**

**Omission of  
Second  
Schedule.**