

# The Punjab Tax on Entry of Goods into Local Areas Act, 2000

PUNJAB

India

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### Act 9 of 2000

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The Punjab Tax on Entry of Goods into Local Areas Act, 2000 Punjab Act No. 9 of 2000 Statement of Objects and Reasons. - Motor Vehicles including two wheelers are items used by comparatively affluent, section of society and are, therefore, correctly amended to Schedule 'A' of the Punjab General Sales Tax Act, 1948, which are generally leviable to tax @20%. However due to the a going inter-state tax war the rate of tax on these items were introduced to 3%, 3.5% and 4% in the State of Punjab. While implementing the agreed floor rates of sales tax, the rate on Motor Vehicles including accessories and parts thereof but excluding tractors and harvest combines and their parts and attachments were notified to be 5%. Similar positions is of other items; Air conditioners, Cement, Refrigerators, washing Machines, Dish Washing Machines, Sanitary Goods, Paints, Rubber Foam, Timber Tyres and Tribes, Marble and Granite, Furniture and Furnace Oil. To overcome this menace the State of Maharashtra and Delhi introduced the levy of Entry Tax on Motor Vehicles which invite for imposition of the differential tax on all motor vehicles purchased from outside the charging State. The introduction of entry Tax enables the Government to levy the tax at a higher rate about having the risk of diversion of trade. Hence this Bill. Published vide Punjab Government Gazetted (Extraordinary), March 14, 2000 (Phgn 24, 1921 Saka) Pages 215. The following Act received the assent of the Governor of Punjab on the 6th April, C and was published in the Punjab Gazette, (Extra.), Part 1, dated April 10 Chaitra 21, 1922. An Act to provide for the levy of tax on entry of scheduled goods into the local areas State of Punjab for consumption or use or sale therein. Be it enacted by the Legislature of the State of Punjab in the Fifty-one Year of the Republic of India as follows :

### 1. Short title and commencement.

(1) This Act may be called the Punjab Tax on Entry of Goods into Local Areas Act, 2000. (2) It shall come into force at once.

## 2. Definitions.

(1) In this Act, unless the context otherwise requires : (a) "accessories" means the car air-conditioner, music system and any other article fitted to a motor vehicle and which is not included in the original invoice of the vehicles; (b) "Appellate Authority" means an Appellate Authority appointed under section 7 of this Act; (c) "dealer" includes occasional dealer or any person, who in the course of business whether on his own account or on account of his principal or any other person, brings or causes to be brought into a local area any scheduled goods or takes delivery or is entitled to take delivery of scheduled goods on its entry into a local area; (d) "Excise and Taxation Officer" means an Excise and Taxation Officer of the State Government or any other officer appointed as such by the State Government; (e) "importer" means a person who brings or causes to be brought scheduled goods into a local area from any place outside the State of Punjab, but not from a place, beside the territory of Union of India for consumption use or sale within the local area; (f) "local area" means an area within the limits of a Municipal, Corporation established under the Punjab Municipal Corporation Act, 1976 or a Municipality established under the Punjab Municipal Act, 1911 or a Notified Area Committee or a Cantonment Board constituted or continued under any law for the time being in force or a Panchayat area under the Punjab Panchayati Raj Act, 1994, or any other local authority, as the case may be; (g) "motor vehicle" means a motor vehicle as defined in clause (28) of section 2 of the Motor Vehicles Act, 1988 and includes a motor car, motor taxi cab, motor cycle, motor cycle combination, motor scooter, motorette, motor omnibus, motor van, motor lorry and a chassis of a motor vehicle and body or tanker built or meant for mounting on chassis of motor vehicle, but excludes tractors whether on wheels or on tracts; (h) "Occasional dealer" means a person who, in the course of occasional transactions of business, whether on his own account or on account of his principal or any other person, brings or causes to be brought into a local area any scheduled goods or takes delivery or is entitled to take delivery of scheduled goods on its entry into a local area; (i) "person" includes any person or association or body of individuals whether incorporated or not, and also a Hindu Undivided Family, a firm, a society, a club, an individual, a local authority or any State Government, the Central Government or any Union Territory; (j) "prescribed" means prescribed by rules made under this Act; (k) "scheduled goods" means the goods specified in the Schedule appended to (l) "State" means the State of Punjab; (m) "tax" means a tax payable under this Act; (n) "Tribunal". means the Tribunal constituted under section 3-A of the Punjab General Sales Tax Act, 1948; and (o) "value of the scheduled goods" means the purchase price at which a person has purchased the scheduled goods inclusive of charges borne by him as cost of transportation, packing, forwarding and handling charges, commission, insurance taxes, duties and the like, or if such goods have not been purchased by him, the prevailing market price of such goods in the local area. (2) Words and expressions used, but not defined in this Act shall have the same meanings as assigned to them under the Punjab General Sales Tax Act, 1948.

## 3. Incidence and levy of tax.

(1) Subject to the provisions of this Act and the rules made thereunder, there shall be levied a tax on the entry of the scheduled goods into a local area for consumption, use or sale therein at such rates, as are provided for such goods under the Punjab General Sales Tax Act, 1948: Provided that in the case of a motor vehicle and its accessories, the tax shall be payable and paid by an importer within

fifteen days of its entry into the local area or before an application is made for registration of the motor vehicle under the Motor Vehicles Act, 1988, whichever is earlier, in the manner as may be prescribed: Provided further that no tax shall be levied and collected in respect, of a motor vehicle, which has been registered in any other State or Union Territory under the Motor Vehicles Act, 1988 for a period of fifteen months or more, before the date on which it is registered in the State of Punjab under the Motor Vehicles Act, 1988. (2) Notwithstanding anything contained in sub-section (1), no tax shall be levied on the scheduled goods under this Act, if the tax is payable under the provisions of the Punjab General Sales Tax Act, 1948 by a registered dealer. (3) The tax shall be payable and paid by an importer at the nearest information collection centre or check post established under the Punjab General Sales Tax Act, 1948, on entry of the scheduled goods into the State. (4) The tax shall be in addition to the tax levied and collected as octroi, if any, by Municipal Committee or any other local authority, as the case may be, within its local areas. (5) The amount of tax payable under this Act shall subject to such conditions as may be prescribed, be reduced to the extent of the amount of the tax paid, if any, under the law relating to the General Sales Tax or Central Sales Tax, as may be in force, in any other State or Union Territory, by an importer, who, not being a registered dealer, had purchased these goods in that State for consumption, use or sale.

#### **4. Detention of scheduled goods and levy of penalty.**

(1) If a person liable to pay tax under this Act, fails to pay the tax, the Excise and Taxation Officer, after hearing the said person and for the reasons to be recorded in writing, may order detention of such goods. (2) If the officer referred to in sub-section (1), is satisfied that the person carrying the scheduled goods, willfully failed to pay the tax, he may after giving the person a reasonable opportunity of being heard, direct him to pay by way of penalty in addition to the tax payable, a sum not exceeding twice the amount of tax. (3) The goods detained under sub-section (1), shall be released after the recovery of the tax or penalty or both, as the case may be. (4) If the amount of tax or penalty, as the case may be, referred to in sub-section (3), is not paid by the importer within sixty days from the date of the order levying tax or penalty, the officer concerned shall have the power to sell the goods by public auction in the prescribed manner. The remainder amount, if any, left after the recovery of tax and penalty and after deducting the expenses on auction, shall be refundable to the person concerned.

#### **5. Payment of tax.**

- The tax shall be paid and recovered in such manner, as may be prescribed.

#### **6. Appeal.**

(1) An appeal from every original order passed under this Act or the rules made thereunder, shall lie to the Appellate Authority appointed under section 7. (2) In case, an order is passed in appeal by the Appellate Authority, a second appeal shall lie to the Tribunal. (3) No appeal shall be entertained by the Appellate Authority or by the Tribunal, unless it is filed within sixty days from the date of communication of the order appealed against. (4) Subject to such rules and the procedure, as may be prescribed, an Appellate Authority, may pass such order, as it deems to be just and proper.

## **7. Appellate Authority.**

- The State Government may, by notification in the Official Gazette, appoint such officers as Appellate Authority for the purpose of this Act and may assign to them such local area or areas, as may be specified in the notification.

## **8. Rectification of mistakes.**

(1)The Excise and Taxation Officer may, at any time within two years from the date of any order passed by him, on his own motion or on the application of any person affected by such order, rectify any mistake apparent from the record:Provided that no such rectification shall be made, if it has the effect of enhancing the tax or reducing the amount of refund unless the officer referred to in sub-section (1) has given notice in writing to such person of his intention to do so and has allowed such person a reasonable opportunity of being heard.(2)The provisions of sub-section (1), shall apply to the rectification of a mistake by an Appellate Authority or the Tribunal under this Act as they apply to the rectification of a mistake by the Excise and Taxation Officer.

## **9. Refund of tax.**

- All provisions of refund as provided in the Punjab General Sales Tax Act, 1948, shall mutatis mutandis apply to cases relating to the refund under this Act.

## **10. Power to amend the Schedule.**

- The State Government, after giving by notification not less than twenty days' notice of its intention so to do may by notification add to or delete from the Schedule any goods and thereupon the schedule shall be deemed to have been amended accordingly.

## **11. Power to make rules.**

- The State Government may, by notification in the Official Gazette, subject to the condition of previous publication, make rules for carrying out the purposes of this Act:Provided that, if the State Government is satisfied that circumstances exist which render it necessary for him to take immediate action, it may dispense With the of previous publication of any rule to be made under this Act.

## **12. Information Collection Centres or Check Posts for the purposes of this Act.**

- The information collection centres or check posts or both, as the case may be established under the provisions of the Punjab General Sales Tax Act, 1948, shall be deemed to be duly established for the purposes of this Act.

## **13. Repeal and Savings.**

(1)The Punjab Tax on Entry of Goods Into Local Areas Ordinance, 1999 (Punjab Ordinance No. 9 of 1999), is hereby repealed.(2)Notwithstanding such repeal anything done or any action taken under the Ordinance referred to in sub-section (1), shall be deemed to have been done or taken under the corresponding provisions of this Act.

## **Schedule**

(See section 10)

### **1. Air conditioners**

### **2. Carpets**

### **3. Cement**

### **4. Dish Washing Machines**

### **5. Furniture**

### **6. Furnace oil**

### **7. Marble and Granite**

### **8. Motor Vehicles**

### **9. Paints**

### **10. Refrigerators**

### **11. Rubber foam**

### **12. Sanitary goods**

### **13. Timber**

### **14. Tyres and Tubes**

## **15. Washing Machines.**