

ANDHRA PRADESH ORDINANCE No.20 OF 2005

HYDERABAD, 29th AUGUST 2005

Promulgated by the Governor in the Fifty-sixth Year of the Republic of India

**AN ORDINANCE FURTHER TO AMEND
THE ANDHRA PRADESH VALUE ADDED TAX ACT, 2005**

Whereas, the Legislative Assembly of the State is not now in session and the Governor of Andhra Pradesh is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, therefore, in exercise of the powers conferred by clause (1) of article 213 of the Constitution of India, the Governor hereby promulgates the following Ordinance:-

Short title

1. (1) This ordinance may be called the Andhra Pradesh Value Added Tax (Amendment) Ordinance, 2005.

Extent

(2) It extends to the whole of the State of Andhra Pradesh.

Commencement

(3) It shall come into force at once.

Amendment of section 2 of Act 5 of 2005

2. In the Andhra Pradesh Value Added Tax Act, 2005 (hereinafter referred to as the principal Act), in Section 2, in sub-section (14), for the words "Sales Tax levy Validation Act,1956", the words "Central Sales Tax Act,1956" shall be substituted.

Amendment of Section-4

3. In Section 4 of the Principal Act, in sub-section (7),-

(i) In clause (c), the words "of fifty percent (50%)" shall be omitted.

(ii) after clause (d), a new clause shall be inserted namely,-

"(e) Any dealer having opted for composition under clauses (b), (c) and (d), purchases or receives any goods from outside the State or India or from any dealer other than a Value Added Tax dealer in the State and uses such goods in the execution of the works contracts, such dealer shall pay tax on such goods at the rates applicable to them under the Act and the value of such goods shall be excluded for the purpose of computation of turnover on which tax by way of composition at the rate of four percent (4%) is payable";

(iii) the existing clause (e) The present clause (e) shall be renumbered as clause(f);

(iv) after the proviso in clause (f) as so renumbered, the following proviso shall be added namely,-

"Provided further that no tax shall be payable under this sub-section on the turnover relating to the consideration received as a sub-contractor if the main contractor opted to pay tax by way of composition subject to the condition that the sub-contractor shall pay tax in respect of any goods purchased or received from outside the State or India or from any person

other than a Value Added Tax dealer in the State on the value of such goods at the rates applicable to them under the Act”.

Amendment of Section-22

4. In Section 22 of the principal Act,-

(1) In sub-section (4), for the words “for a Company”; and “at the rate of 2%”, the words “for Central Government or a Company”; and at the rate of four percent (4%)” shall respectively be substituted.

(2) In sub-section (5), the words “the provision of sub-section (4) of” shall be omitted.

(3) after sub-section (6), the following new sub-section shall be added, namely,-

“(7) Any person required to deduct tax at source under sub-sections (3) and (4) fails to deduct or remit such tax shall be liable to pay interest at the rate of twelve percent (12%) per annum for the delayed period”.

SUSHIL KUMAR SAMBHAJI RAO SHINDE
Governor of Andhra Pradesh