

THE TAMIL NADU TAX ON ENTRY OF GOODS INTO LOCAL AREAS RULES, 2001

(G.O. Ms. No. 112, Commercial Taxes, Dated 30th November,2001)

SRO A-72 (a-1) / 2001:- In exercise of the powers conferred by of sub-section (1) of section 14 of the Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001 (Tamil Nadu Act No. 20 of 2001) the Governor of Tamil Nadu hereby makes the following rules:-

RULES

CHAPTER I PRELIMINARY

1. Short title

These Rules may be called the Tamil Nadu Tax on Entry of Goods into Local Areas Rules, 2001.]

2. Definitions

(1) In these Rules, unless the context otherwise requires,-

- (a) “**Act**” means the Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001;
- (b) “**Form**” means a form appended to these Rules;
- (c) “**General Sales Tax Rules**” means the Tamil Nadu General Sales Tax Rules, 1959;
- (d) “**Government Treasury**” means a Treasury or Sub-Treasury of the State Government ;
- (e) “**Month**” means a calendar month ;
- (f) “**Section**” means a section of the Act ;
- (g) “**Tax**” means the entry tax payable under the Act

(2) Words and expressions used but not defined in these Rules shall have the same meanings, respectively, assigned to them in the Act or, as the case may be, in the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959) or the Tamil Nadu General Sales Tax Rules, 1959.]

CHAPTER II

FILING OF RETURNS, ASSESSMENTS, PAYMENT OF TAX, MAINTENANCE OF ACCOUNTS AND NOTICE OF PENALTY AND DEMAND

3. Filing of returns and payment of tax :-

- (1) An importer being a dealer in scheduled goods, who is liable to pay tax under section 3 of the Act shall submit to the assessing authority on or before the 20th day of every month, a return in form I in duplicate showing the total and net value of the scheduled goods for the preceding month, along with the remittance receipt from the Government Treasury or a crossed demand draft drawn in favour of the assessing authority ¹[or a crossed cheque in favour of the assessing authority drawn on any one of the banks referred to in subsidiary rule 1(a)(iv) of Rule 10 of the Tamil Nadu Treasury Rules and situated within the city / town where the office of the assessing authority is situated] for the whole of the amount of tax payable for the month, to which the return relates.

¹[Provided that the method of payment by means of cheque shall not be applicable to the importers referred to in this sub-rule whose cheques got dishonoured for want of funds on more than one occasion.]

1. These words and the proviso to this sub-rule were inserted by G.O. No.140 – SRO A-397 / 2004 published in the Gazette on 22nd September 2004 and hence effective from that date.

- (2) In the case of an importer referred to in sub-rule (1) having more than one place of business in the local areas, all returns prescribed by these rules shall be submitted by the principal place of business and such returns shall show the total value of the scheduled goods of all the places of his business in all the local areas.
- (3) The returns so filed shall provisionally be accepted subject to the provisions of sub-rules (4) and (5).
- (4) Where the importer referred to in sub-rule (1) fails to submit the return on or before the date specified in the said sub-rule (1) or if the return submitted appears to be incorrect or incomplete, the assessing authority shall, after following the procedure prescribed in the General Sales Tax Rules, determine the value of the scheduled goods to the best of the judgment and provisionally assess the tax payable for the month and shall serve upon the importer a notice in form II and the importer shall pay the sum demanded within the time and in the manner specified in the notice.
- (5) Where the importer referred to in sub-rule (1) submits a return without receipt from the Government Treasury or crossed demand draft for the whole of the amount of the tax payable, the assessing authority shall serve upon the importer a notice in form II for the tax due and the importer shall pay the sum demanded within the time specified in the notice.

- (6) (a) An importer not being a dealer in scheduled goods shall file a return in form III along with the proof of payment of tax due thereon before the assessing authority, specified in sub-clause (ii) of clause (b) of section 2 of the Act within fifteen days from the date of entry of such scheduled goods into local area, where at the scheduled goods are brought into the State other than through a check-post; and immediately, where the scheduled goods are brought through a check-post.

Explanations.-Where an importer brings the scheduled goods in a goods vehicle, the return in form III shall be filed by such importer or the person in-charge of the goods vehicle before the officer in-charge of the first check-post in the State through which the scheduled goods are brought and where the scheduled goods are brought into the local area either in a goods vehicle or otherwise without touching any check-post in the State, such importer shall file the return in form III before the Commercial Tax Officer, having jurisdiction over the area in which such importer ordinarily resides;

(b) Tax due thereon shall be paid by tendering a challan or a demand draft or by cash

(c) If such authority is satisfied that the return filed is correct and complete, he shall pass an order in form IV and a copy thereof shall be communicated to the importer;

(d) If the return filed in form III does not appear to be correct and complete, the authority concerned shall determine the value of the scheduled goods and the tax payable thereon and serve on the importer a notice in form V and the importer shall pay the sum demanded within the time and in the manner specified in the notice.

4. Assessment of tax

- (1) After the close of the year for which the returns have been submitted by an importer referred to in sub-rule (1) of rule 3 or in the course of the year, where such importer had discontinued business, the assessing authority, shall, if he is satisfied, after such scrutiny of the accounts and making such enquiry as he considered necessary that the returns filed are correct and complete finally assess in single order on the basis of the return, the tax payable for the year to which the return relates.
- (2) Where any such importer fails to submit the return or returns before the date specified in sub-rule (1) of rule (3) or if any return or returns submitted by him appears to be incorrect the assessing authority shall after giving the importer an opportunity, determine the value of the scheduled goods to the best of his judgment and finally assess in a single order, the tax payable thereon.

- (3) If on final assessment under sub-rule (1) or sub-rule (2), any tax is found to be due from the importer after deducting the tax or taxes paid by him towards the provisional assessment made under sub-rule (4) of rule 3, the assessing authority shall serve on the importer a notice in Form VI and the importer shall pay the sum demanded in the notice therein. If any refund of tax is found to be due to the importer the assessing authority shall serve on him a notice in Form VII.

5. Accounts :-

- (1) Every importer who being a dealer in scheduled goods and who is liable to pay tax under the Act, shall keep and maintain a true and correct account promptly in any of the languages specified in the English Schedule to the Constitution or in English showing,-
- (i) the value of the scheduled goods brought by him
 - (ii) names, addresses of each of the person from whom the scheduled goods were purchased and supported by a bill or delivery note issued by the seller; and
 - (iii) the descriptive and quantitative particulars of the scheduled goods. In case, they are not brought but received in the place of business, the names and addresses of the owners of the scheduled goods, supported by necessary vouchers and the circumstances under which they are received or kept.
- (2) An importer not being a dealer in scheduled goods, who is in possession of documents such as purchase invoice, delivery challan, way bill, etc., in respect of the scheduled goods he brought into local area shall be liable to maintain the accounts.

6. Notice of penalty and demand

- (1) The forms relating to summons, etc., prescribed under the General Sales Tax Rules shall apply mutatis mutandis for the relevant purposes.
- (2) The notice of penalty and demand shall be in Form VIII.

CHAPTER III APPEALS AND REVISION

7. Appeals and revision

Every appeal under sub-section (1) of section 8 or second appeal under sub-section (2) of that section or revision under section 9 shall be in form IX. It shall be in duplicate and shall be accompanied by the order appealed against or the order against which the revision sought for, as the case may be, in original or by a certificate copy thereof.

8. Summary rejection of appeal / revision :-

- (1) If the form of appeal/revision omits to state any of the particulars specified in Form IX as required under rule 7 or is not accompanied with the order in original against which it is made or a certified copy thereof, the appeal/revision may be summarily rejected:

Provided that no appeal / revision shall be summarily rejected under this sub-rule, unless the appellant / applicant has been given a reasonable opportunity to amend the form of appeal / revision.

- (2) The appeal / revision may also be summarily rejected, on grounds other than those specified in sub-rule (1), which the appellate authority / Joint Commissioner of Commercial Taxes / Commissioner of Commercial Taxes may consider sufficient and which shall be reduced to writing by the appellate authority / Joint Commissioner of Commercial Taxes/Commissioner of Commercial Taxes:

Provided that before an order summarily rejecting an appeal/revision under this sub-rule is passed, the appellant/applicant has been given a reasonable opportunity of being heard.

- (3) If within thirty days from the date on which an appeal / revision is summarily rejected under sub-rule (1) or (2), the appellant / applicant makes an application for setting aside the order of summary rejection and satisfies it that the notice under the proviso to sub-rule (1) to amend the form the appeal / revision or of a hearing under proviso to sub-rule (2) was not duly served on him or that he was prevented by sufficient cause from amending the form of appeal / revision or from appearing when the appeal / revision was called on for hearing, the said authority shall make an order setting aside the summary rejection and restore the appeal/revision to its file.

9. Hearing

- (1) If the appellate authority or Joint Commissioner of Commercial Taxes or Commissioner of Commercial Taxes does not summarily reject the appeal / revision, it shall fix a date for hearing. The date so fixed shall not be earlier than ten days from the date on which intimation thereof is given to the appellant/applicant or to his agent:

Provided that a date earlier than aforesaid may be fixed for hearing if the appellant / applicant or his agent agrees thereto in writing.

- (2) If on the date and at the time fixed or hearing or on any other date or at any other time to which the hearing may be adjourned, the appellant/applicant does not appear before the said authority either in person or through an agent, the said authority may decide the appeal ex parte.

10. Supply of copy of order to the appellant or applicant and to the assessing authority concerned

A copy of the order passed in appeal or revision shall be supplied free of cost to the appellant or the applicant and another copy shall be sent to the assessing authority or the appellate authority or the Joint Commissioner of Commercial Taxes as the case may be, whose order was the subject-matter of the proceedings.