

THE GOA VALUE ADDED TAX ACT, 2005

AN ACT

To provide for and consolidate the law relating to the levy and collection of Value Added Tax on sales of goods in the State of Goa.

Be it enacted by the Legislative Assembly of Goa, in the Fifty-Sixth Year of Republic of India as follows:

1. Short title, Extent and Commencement- (1) This Act may be called the **Goa Value Added Tax Act, 2005**.

(2) It extends to the whole of the State of Goa.

(3) It shall come into force on such date as the Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference under any such provision to the appointed date, shall be construed as a reference to date of enforcement of that provision.

2. Definition.- In this Act, unless the context otherwise requires,-

(a) "agriculture" with all its grammatical variations and cognate expressions, includes horticulture, the raising of crops, grass or garden produce, and also grazing ; but does not include dairy farming, poultry farming, stock breeding, the mere cutting of wood or grass, gathering of fruit, raising of man-made forests or rearing of seedlings or plants;

Explanation.— For the purposes of this clause and clause (d), the expression "forest" means the forest to which the Indian Forest Act, 1927(Central Act 16 of 1927), in its application to the State of Goa, applies;

(b) "agriculturist" means a person who cultivates land personally, for the purpose of agriculture;

(c) "appointed day" means the day on which this Act shall come into force;

(d) "business" includes, -

- (i) any trade, commerce or manufacture;
- (ii) any adventure or concern in the nature of trade, commerce or manufacture;
- (iii) any transaction in connection with, or incidental to or ancillary to trade, commerce, manufacture, adventure or concern;
- (iv) any transaction in connection with, or incidental to or ancillary to the commencement or closure of such business;
- (v) any occasional transaction in the nature of trade, commerce, manufacture, adventure or concern whether or not there is volume, frequency, continuity or regularity of such transaction,

- (iii) Railway Administration as defined under the Railway Act, 1989 (Central Act 24 of 1989);
 - (iv) Shipping Transport and Construction Companies;
 - (v) Air Transport companies and Airlines;
 - (vi) Transporters, holding permit for transport vehicles granted under the Motor Vehicles Act 1988 (Central Act 59 of 1988) which are used or adopted to be used for hire;
 - (vii) Customs and Central Excise Department of Government of India administering the Customs Act, 1962 (Central Act 52 of 1962) and the Central Excise Tariff Act, 1985 (Central Act 5 of 1986);
 - (vii) Insurance and Financial Corporations or companies and Banks included in the Second Schedule to the Reserve Bank of India Act, 1934 (Act 2 of 1934);
 - (viii) Advertising agencies;
 - (ix) Any other corporation, company, body or authority owned or set up by, or subject to administrative control of the Government;
 - (x) Income Tax Department of Government of India administering the Income Tax Act 1961 (Central Act 43 of 1961);
 - (xi) Any other body as may be notified by the Government from time to time.
- (l) "declared goods" means declared goods as defined in the Central Sales Tax Act, 1956 (Central Act 74 of 1956);
- (m) "director", in relation to a company, include any person occupying the position of director by whatever name called;
- (n) "document" includes written or printed records of any sort, title deeds and data stored electronically in whatever form;
- (o) "earlier law" means the Goa Sales Tax Act, 1964 (Act 4 of 1964) as amended from time to time, and includes enactments which have validated anything done or omitted to be done under any of the above mentioned laws;
- (p) "goods" means all kinds of movable property (other than newspapers) and includes livestock, all materials, commodities, grass or things attached to or forming part of the earth which are agreed to be severed before sale or under a contract of sale, and property in goods (whether as goods or in some other form) involved in the execution of works contract, lease or hire-purchase or those to be used in the fitting out, improvement or repair of movable property but does not include actionable claims, stocks, shares and securities;
- (q) "importer" means a person who brings any goods into the State or to whom any goods are dispatched from any place outside the State;
- ✓(r) "Input-tax" means tax charged under this Act by a registered dealer to another registered dealer on purchases of goods in the course of business;
- (s) "manufacture" includes any activity that brings out a change in an article or articles as a result of some process, treatment, labour and results in transformation into a new an different article so

- (c) issue tax invoice to any dealer who has purchased the goods from him.

N.B.:- Total turnover for the purposes of this section will include aggregate sales of taxable and non-taxable goods.

8. Net Tax of a Registered Dealer.-

(1) Subject to provisions of section 9, the net tax payable by a registered dealer for a tax period shall be calculated according to the following formula:-

$$A - B,$$

Where,-

A = total of the tax payable in respect of taxable turnover made by the registered dealer during the tax period; and

B = total input tax credit allowed to the registered dealer for the tax period.

(2) Where the amount determined by the formula in sub-section (1) is a negative amount, the registered dealer may carry forward the amount to the next tax period as per provisions of section 10.

(3) Every registered dealer shall pay in full the net tax payable by him for the tax period at the time that dealer is required to file his return as may be prescribed.

✓ **9. Input Tax Credit.-** (1) Subject to such conditions and restrictions as may be prescribed Input Tax Credit either partially or wholly shall be allowed for the tax paid during the tax period in respect of goods including capital goods purchased and/or taken on hire or leased to him within Goa, other than those specified in Schedule 'G' and/or such other goods as may be notified from time to time by the Government, provided, the goods purchased are for resale in Goa or for sale in course of Inter State Trade or in course of export outside the territory of India or used by him as raw-materials/capital goods in the manufacture or processing of taxable goods in Goa or for sale by transfer of right to use.

(2) No input tax credit under sub-section (1) shall be claimed or be allowed to a registered dealer:-

(i) in respect of goods purchased on payment of tax if such goods are not sold because of theft or destruction for any reason;

(ii) in respect of stock of goods remaining unsold at the time of closure of business;

(iii) in respect of any taxable goods under the Act purchased by him from another registered dealer for resale but given away by way of free samples or gifts;

(iv) in respect of capital goods, covered under Schedule 'B' of the Act, if said goods are utilized for the purposes other than those covered in the prescribed declaration;

(v) in respect of goods purchased from a dealer who has opted for composition of tax under sub-section (1) of section 7;

(vi) in respect of capital goods:-

- (a) purchased or paid prior to appointed day;
- (b) capital expenditure incurred prior to the date of registration under this Act;
- (c) capital goods not connected with the business of the dealer;
- (d) capital goods used in the manufacture of goods or providing services which are not liable to tax under this Act;
- (e) capital goods used in generation of energy/power including captive power;
- (f) motor cars, its accessories and spare parts.

(3) If goods purchased are intended for use specified under sub-section (1) and are subsequently used fully or partly, for purposes other than those specified under the said sub-section, or loss of goods arising out of theft or destruction for any reason or the stock of goods remaining unsold at the time of closure of business, the input tax credit availed at the time of such purchase shall be reduced from the tax credit for the period during which the said utilization has taken place provided that if part of the goods purchased are utilized otherwise, the amount of reverse tax credit shall be proportionately calculated.

(4) Input tax credit shall be allowed to the registered dealer, subject to restrictions of sub-section (2), in respect of tax charged to him by a registered seller on taxable sales of goods made to him for the purpose of the business within three months prior to the date of his registration provided that no input tax credit shall be allowed in respect of goods which have been sold or otherwise disposed of prior to the date of registration.

(5) (a) where a registered dealer has availed of the input credit on any goods and the same goods are not used in the course of his business, input tax credit so availed becomes repayable in the tax period following the date on which these goods were put to such other use;

(b) where such goods were wholly or mainly used or are intended for use in sale of taxable goods prior to change of use, tax shall be calculated on the prevailing market value of such goods at the time of change of use.

(6) The registered dealer shall be liable for input tax credit in respect of Entry Tax paid by him under the Goa Tax on Entry of Goods Act 2000 (Act 14 of 2000) on goods brought by him for use or consumption except those covered under Schedule 'G' of the Act.

(7) Balance unclaimed input tax credit of capital goods shall not be allowed in case of closure of business.

(8) The registered dealer shall be liable for input tax credit on stock held on the appointed day, towards the tax paid under the earlier law subject to such conditions as may be prescribed. The period and the date from which such input tax credit is to be apportioned shall be as notified.

(9) The deduction of input tax credit on capital goods under this section shall be allowed in two equal annual installments after the close of the respective year as under:

- (i) in case of existing units, upon installation of such capital goods, and
- (ii) in case of new units, upon commencement of commercial production.

SCHEDULE 'G'
[See sub-section (1) of Section 9]

✓ **List of Goods on which No Input Tax Credit is admissible**

| Sr.No. | Name of the commodity |
|---------------|--|
| (1) | (2) |
| (1) | Aviation spirit, aviation turbine fuel and A.V.Gas other than covered by entry 34 of Schedule 'B' |
| (2) | High Speed Diesel Oil(HSD). |
| (3) | Light diesel oil (LDO). |
| (4) | Motor spirit which is commercially known as petrol including ethanol blended petrol. |
| (5) | Any other Petroleum Products not specifically described hereinabove or in any of the Schedules appended hereto other than Kerosene Oil, Liquified Petroleum Gas, Furnace oil and substitute furnace fuel including low sulphur heavy stock, Naphta and Lubricating oil and Grease. |

OFFICIAL GOVERNMENT OF GOA GAZETTE



PUBLISHED BY AUTHORITY

EXTRAORDINARY No. 2

GOVERNMENT OF GOA

Department of Finance
(Revenue & Control Division)

Notification

4/5/2005-Fin(R&C)(96)

In exercise of the powers conferred by sub-section (4) of section 5 of the Goa Value Added Tax Act, 2005 (Goa Act 9 of 2005) (hereinafter referred to as the "said Act") and all other powers enabling it in this behalf, the Government of Goa hereby amends Schedule 'G' appended to the said Act, as follows, namely:—

In Schedule 'G' appended to the said Act, after entry at serial number (7), the following entry shall be inserted, namely:—

"(8) Ships and other water vessels.

(9) Ores and minerals other than minor minerals."

This Notification shall come into force from the date of its publication in the Official Gazette.

By order and in the name of the Governor of Goa.

Ajit S. Pawaskar, Under Secretary, Fin. (R&C).
Porvorim, 5th November, 2012.

Notification

5/11/2008-Fin(R&C)(8)

In exercise of the powers conferred by sub-section (1) of section 3 of the Goa Tax on Entry of Goods Act, 2000 (Goa Act No. 14 of 2000) (hereinafter referred to as the "said Act"), the Government of Goa hereby specifies that, a tax shall be levied and collected under the said Act on entry of goods specified in column (2) of the Table below, into every local area, for consumption, use or sale therein, at the rates specified in the corresponding entries in column (3) of the said Table.

Table

| Sr. No. | Description of Goods | Rate of tax |
|---------|---|-------------|
| 1 | 2 | 3 |
| (1) | Ships and other water vessels | 5% |
| (2) | Aluminium or any other composite panels, glass sheets or panels in any form primarily used in cladding and/or erection of building facade | 5% |

This Notification shall come into force with effect from 01-11-2012.

By order and in the name of the Governor of Goa.

Ajit S. Pawaskar, Under Secretary, Fin. (R&C).
Porvorim, 5th November, 2012.

www.goaprintingpress.gov.in

Printed and Published by the Director, Printing & Stationery,
Government Printing Press,
Mahatma Gandhi Road, Panaji-Goa 403 001.

PRICE - Rs. 1.00

PRINTED AT THE GOVERNMENT PRINTING PRESS, PANAJI-GOA — 273/420 — 11/2012.

Suggestions are welcome on e-mail: dir-gpps.goa@nic.in