

# BHARAT GOSAR

## CHARTERED ACCOUNTANTS

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**Sub: MAHARASHTRA ACT NO XXVII OF 2014, received the assent of governor in the "Maharashtra Government Gazette", on 26th June, 2014:**

### **HIGHLIGHTS OF AMENDMENTS MADE IN PERSUANCE OF STATE BUDGET ANNOUNCEMENTS:**

In pursuance of budget proposals, the amendments are effected in Maharashtra Value Added Tax Act, 2002 and allied laws uptill now. The highlights of the same are as under:

#### **Professional Tax Act:**

The minimum salary limit for deducting profession tax is enhanced from ₹.5000/- per month to ₹.7500/- per month. Therefore, no profession tax will be required to be deducted for salary upto ₹.7500/-. This amendment is applicable for salary payable for the month July, 2014 and onwards.

Sr. No.	Class of Person	Rate of Tax
1	Person whose monthly salaries or wages:	
	- Do not exceed ₹ 7,500/-	Nil
	- Exceed ₹ 7,500/-	₹ 175/-
	- Exceed ₹ 10,000/-	₹ 2,500/- per annum to be paid in the following manner.
		a) ₹ 200 p.m. except for the month of Feb.
		b) ₹ 300 for the month of Feb.

Exemption from profession is provided to the person with mental retardation.

#### **Luxury Tax Act:**

The basic limit of exemption for attracting luxury tax is enhanced from ₹.750/- to ₹.1000/- per day per person. This will be applicable from 26<sup>th</sup> June, 2014.

The limit for attracting luxury tax at higher rate of 10% is enhanced from ₹.1200/- to ₹.1500/-. This will also be applicable from 26<sup>th</sup> June, 2014.

There are also amendments about pro-rata exemption benefit in case of expansion and Tourism Policy 2006.

#### **MVAT Act, 2002**

##### **Limit for new registration:**

The limit for registration under MVAT Act, 2002 is enhanced ₹.5 Lakhs to ₹.10 Lakhs.

If the turnover of any dealer for the financial year 2013-14 is below ₹.10 Lakhs, he can apply for cancellation of his Registration Certificate upto 30<sup>th</sup> September, 2014. His TIN will be cancelled from 1<sup>st</sup> October, 2014.

**Late Fees for delay in uploading of return:**

If the returns are filed late, late fee is payable. The said late fee will be ₹.2000/- if the delay is upto 30 days and it will be ₹.5000/-, if the delay is of more than 30 days.

Further, it is notified that all pending returns for a period upto February, 2014 can be filed along with payment of full tax and interest by paying late fees of ₹.1,000/- only. Last date for uploading of such returns with concessional late fees is 30th September, 2014.

**Assessment**

Section 23(9) allowing dealers to file Form 305 for direction to the assessing authority is deleted.

As per amendment in section 23(10), there can be different return wise, different assessment.

As per amendment in section 23(11), if the assessing authority do not cancel ex-parte assessment order on filing Form 316 then the said order will stand cancelled automatically after the end of 3 months from the month in which the application is filed. This is beneficial amendment.

**Stay under VAT & CST Act:**

Amendment is made in Section 26(6) of Maharashtra VAT Act. It is provided that if any appeal is filed on or after 1<sup>st</sup> July, 2014 and if the appellate officer will find that dues on account of non production of declaration forms (after 2 years from the end of the concerned year) are unpaid, then the stay will be granted only after full payment of principal amount of CST.

**Penalty u/s 29(3):**

By amendment in Section 29(3), it is provided that if the penalty is required to be levied then it should be minimum 25% of the additional tax dues. The maximum limit is 100% of the additional dues.

**Penalty – Section 29(12):**

Section 29(12) providing for taking permission from higher authority before levying penalty exceeding specified limits has now been deleted.

**Penalty for late filing of return:**

By inserting section 29(7A), it is provided that if any returns are filed late after 1.8.2012 and if late fees is already paid then penalty u/s 29(8) if any levied for delay in uploading of return earlier will not be recovered.

**Additional Interest u/s 30(4):**

In case of additional dues payable after business audit etc., with revised return or the original return, as the case may be, 25% of the additional dues is payable as additional interest.

By amendment, the said interest is not payable, if the dues are due to non production of declarations forms or certificates.

It is also not payable, if such additional dues are upto 10% of the tax paid.

**Tax Collection at Source- Section 31A:**

By amendment, TCS provisions are made applicable in respect of quarrying under given circumstances.

**VAT Audit limit:**

The limit for applicability of VAT audit is enhanced from ₹.60 Lakhs to ₹.100 Lakhs from the financial year 2013-14.

However, the dealers whose turnover is between ₹. 60 lacs to ₹100 Lakhs during the financial year 2013-14 are required to upload the details of supplierswise purchase, customerwise sales, sales under declaration forms, declaration forms received, declaration forms missing in the prescribed forms.

**Business Audit Report:**

By amendment in Section 63(7) issue of business audit report is made mandatory.

There are also amendments in section 88 and 89 about package scheme of incentives mainly to include PSI 2013 in the Sections.

**Changes in Schedule Entries:**

**Entry –A-26A** is inserted to provide tax exemption in respect of copy rights, for distribution and exhibition of cinematographic films in theaters and cinema halls during the period 1.4.2005 to 30.4.2011.

**Entries-C-55A & C-55B**

By insertion of above entries, the effect of judgment of Hon'ble Supreme Court in case of **M/s. Bansal Wire** is removed. The stainless steel etc., which were getting out from declared goods category and hence becoming liable at higher rate are now again brought in the tax net of 5% for periods 1.4.2005 and onwards.

**Draft Check Post Rules:**

The Government has published draft Check Post Rules and invited suggestions from the public upto 25.7.2014. The Rules are available on website of the Government.