

GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES :: :: ASSAM
DISPUR, GUWAHATI-781006

ORDER

Dated Dispur, the 13th December, 2016

No.CTS-63/2016/67 : The petitioner, Sri Ashok Kumar Jain, filed a petition under Section 105 of AVAT Act, 2003, seeking a clarification regarding present rate of tax payable by a registered dealer under "Composition Scheme of Work Contract". The queries raised by the petitioner, Sri Ashok Kumar Jain are, as below: -

1. Whether a dealer registered under "Composition Scheme for Work Contract" under Assam Value Added Tax Act, 2003 is liable to pay tax @ 6%.
2. Whether the Government Department which is issuing contract to such Contractor registered under "Composition Scheme for Work Contract" is liable to deduct tax @6% or 5%.

According to the petitioner, the Water Resource Department is deducting tax @ 6% after the issuance of Notification No. FTX.55/205/Pt-VII/29 dated 02/07/2016.

Perused the matter. The Notification referred to by the petitioner relates to enhancement of VAT rate from 5% to 6% for goods covered by the Second Schedule and the said Notification does not relate to "Composition Scheme for Works Contract".

Hence, it is clarified that a work contractor who is under "Composition Scheme for Works Contract" shall be liable to pay VAT @ 5% as per Government Notification No FTX.55/2005/Pt/158 dated 31/03/2012 and as per para 4 of the said Notification relating to "Composition Scheme for Works Contract", the person responsible for deducting tax at source shall deduct tax @5% from the amount paid to such works contractor under Composition Scheme.

Accordingly, the matter stands clarified.

Sd/-
(Anurag Goel, IAS)
Commissioner of Taxes, Assam
Dispur, Guwahati-6.

Memo No.CTS-63/2016/67-A

Dated Dispur, the 14th December, 2016.

Copy to :

1. The Commissioner & Secretary to The Government of Assam, Finance Department, Dispur for favour of kind information.
2. The Additional commissioner of Taxes, Assam(All)/Joint Commissioner of Taxes, Assam (All) for information.
3. The Deputy Commissioner of Taxes (All) for information.
4. The Assistant Commissioner of Taxes(All)/ Superintendent of Taxes(All) for information.
5. Sri. Ashok Kr. Jain, Bijoynagar, Kamrup, Assam for information.

(R. Agarwalla)

Joint Commissioner of Taxes, Assam,
Dispur, Guwahati-6.

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14/12/16