

GOVERNMENT OF ASSAM  
OFFICE OF THE COMMISSIONER OF TAXES:::ASSAM:::GUWAHATI

NO. CTS-7/2009/83

Dated Dispur, the 7<sup>th</sup> August, 2009

Sub: Clarification as to whether the term “the value of the works contract” will include the amount of service tax and VAT charged by the dealer, particularly for the purpose of determining the deductions allowable under the proviso to sub-section 11 of the Assam Value Added Tax Act, 2003.

**Extract of the Order**

It is clarified that as per provisions of the Composite Scheme under the Assam Value Added Tax Act, 2003, it permits a registered dealer of the State who executed works contract, to pay at his option, in lieu of the amount of tax payable by him under the provisions of the Assam Value Added Tax Act, 2003, by way of composition, an amount at the rate of four paise in every rupee of the total aggregate value of the works contract received or receivable by him. Unlike composition scheme under service tax where VAT or sales tax has been excluded from gross amount through an explanation, in composition scheme for works contracts under the Assam Value Added Tax Act, 2003, there is no such exclusion of any type of tax through an explanation.

Therefore, in case of registered dealer who opted for composition scheme, the tax payable will be calculated on total aggregate value of the works contract without deducting VAT or service tax paid or payable.

Sd/- Sanjay Lohiya  
Commissioner of Taxes, Assam  
Guwahati