GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES:::ASSAM:::KAR BHAWAN
DISPUR.GUWAHATI.
&&&

NO.CTS-81/2007/291 Dated Guwahati, the 30th March,2010.

Circular No.6/2010

Sub : Levy of tax on purchases.

It is to bring to the notice of all concerned that every dealer who in the course of his business purchases any taxable goods from any person, in the circumstances in which no tax under section 10 of the Assam Value Added Tax Act,2003 is leviable on the sale price of such goods, shall be liable to pay tax on the gross turnover of purchase of such goods, if after such purchase, the goods are-

(i) used or disposed of in any manner other than by way of sale in the State,
(ii) consumed or used in the manufacture of tax free goods,
(iii) consumed or used in the manufacture of taxable goods and such manufactured goods are disposed of otherwise than by way of sale in the State or in the course of interstate trade and commerce or export out of the territory of India ; or
(iv) despatched to a places outside the State other than as a result of sale in the course of inter-state trade or commerce or export out of the territory of India.

It is apprended that the assessing officer may not have taken into consideration the provision referred to above as contained in section 12 of the Assam Value Added Tax Act,2003 while scrutinizing the returns/completing assessments under the Assam Value Added Tax Act,2003. For example while making assessment of an industrial unit manufacturing mustard oil from mustard seed, the assessing officer must verify the source of procuring mustard seed and whether it has suffered VAT or not. Further, after production, how the goods are disposed of. Keeping in mind the provisions of section 12 of the Assam Value Added Tax Act,2003 and verifying the accounts, the assessing officer can determine the dealer is liable to pay tax on gross turnover of purchase as per provisions of section 12 of the Assam Value Added Tax Act,2003.

It is, therefore, urged upon all officers concerned to examine the cases under their jurisdiction in above perspective and ensure that the provision of section 12 is duly complied with.

(Sanjay Lohiya),
Commissioner of Taxes,Assam,
Guwahati-6.

Memo No. CTS-81/2007/291-A Dated Dispur, the 1st ~~March~~ April,2010.
Copy to :-

1. The Principal Secretary to the Government of Assam,Finance (Taxation) Department,Dispur,Guwahati-6 for favour of kind information..
2. The Addl. Commissioner of Taxes/Joint Commissioner of Taxes (All), Head Office for information.
3. The Deputy Commissioner of Taxes (All) for information and necessary action.
4. The Assistant Commissioner of Taxes/Superintendent of Taxes (All) for information and necessary action.
5. Circular file.

Commissioner of Taxes, Assam,
Guwahati-6.