

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

(Circular No.34/2007)

No. CTS-81/2007/23

Dated Dispur, the 12th November, 2007.

Sub : Adjustment for discount, schemes through credit note.

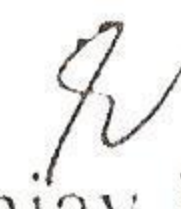
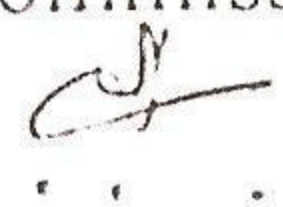
It has come to notice that a large number of dealers purchased goods from big companies and other registered dealers and claim input tax credit (ITC) on basis of tax invoices. It is also found that the dealers are reselling such goods at a price which is marginally higher or at par or even below the purchased price. As a result, the dealers are showing very small tax liability or even negative tax liability.

These dealers receive credit notes from the companies or other registered dealers in name of discounts, incentives or promotional scheme. But the amounts received in form of credit note is not deducted from the purchased value, as a result, the ITC claim is also not reduced proportionately.

It is hereby directed that all prescribed authorities should properly examine the books of accounts of dealers showing little or negative tax liability and ensure that the dealer deducts the amount received from credit note from the purchased value and ITC in the period in which such credit note has received.

All prescribed authorities are directed to scrutinize the returns for the year 2005-2006, 2006-2007 and current returns of dealers showing little or negative tax liability, especially dealers dealing in Cement, Iron and Steel, consumer durables, hardware etc.

Immediate steps should be taken to realize unpaid tax dues.


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

Memo No. CTS-81/2007/23-A
Copy to:-

Dated Dispur, the 12th November, 2007.

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


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