

Speaker Sir,

I now present Part II of the Budget before the House.

1. Revised target of revenue collection for the year 2017-18 is rupees one lakh sixty four thousand nine hundred seventy eight crores. I am confident that this revenue target shall be achieved.

**Goods
and
Services
Tax**

2. You are aware that from 1st July 2017, Goods and Services Tax System, which has radically changed the indirect tax regime, has been adopted throughout India. The GST aim of “*One Tax One Nation*” has given boost to cooperative federalism. Tax base was expected to grow substantially under the GST system with long lasting impact on the Indian economy. After the implementation of GST, the number of tax payers in Maharashtra has increased significantly. In the State, 5,32,000 tax payers are newly registered taking the number of tax payers under GST to 13,62,000. At the end of February 2018, revenue under GST has been garnered at rupees 45,886 crores.

**Compensa-
tion to Local
authorities**

3. Honourable Members must be aware that the local authorities have lost the power to collect octroi and local body tax due to implementation of GST. In this regard, Act to give compensation to the local authorities, has been passed by the legislature. As per the provisions in the Act, the Government has disbursed compensation amount in the form of advance to the local authorities before fifth of every month. In the year 2017-18, rupees 5,826 crores to the Brihan Mumbai Municipal Corporation and rupees 5,978 crores to other municipal bodies, totalling rupees 11,804 crores has been given as compensation.

**Amend-
ments to
Tax Laws** 4. Speaker Sir, I am proposing some changes in the Tax Laws.

➤ **Value Added Tax Act**

- Under the VAT Act, an appeal against an order passed by the appellate authority can be filed before the Sales Tax Tribunal. Judicial Members and Technical Members are appointed to the Tribunal. A provision is proposed that the Judicial Member shall be appointed in consultation with the Honourable High Court while the Technical Member shall be appointed or reappointed on the recommendations of the Selection Committee, constituted by the Government. At the same time, it is also proposed to make a provision for the members' term and the functioning of the Selection Committee.

- On the assumption that Extra Neutral Alcohol (ENA) is classified under VAT, levy on sale of ENA had been introduced in the VAT Act from 24th August 2017. The GST Council would take a decision soon, on the issue as to whether the ENA is covered under GST or not. A provision is proposed to be made regarding classification of ENA and tax thereon with consequential interest based on the decision of GST Council.

- Under VAT, it is mandatory for an employer to pay the TDS amount from the amount payable to the contractor. The contractor can take credit of the TDS. There is no facility to avail TDS credit, paid by the employer, after the implementation of GST. Therefore, a provision has been proposed to allow credit of TDS amount, paid during the period from 1st July 2017 to 31st December 2018, to the contractor.

- In VAT, there is a provision for non-recovery of dues upto rupees 100. A provision is proposed for non-recovery of tax up-to rupees 500 per proceeding and the interest payable thereon so that the manpower can be used for the recovery of larger amounts.

- If an assessment proceeding is to be transferred from one district to another, then transfer of assessment proceeding order is required to be passed after giving opportunity of hearing to the dealer. But if such case is in Mumbai, Thane, Raigad and the case is to be transferred to any of these districts, then hearing is not required. Due to the formation of Palghar District, it is proposed to make a technical change in the provision.

- Under the VAT Act, filing audit report is mandatory for a dealer, whose turnover exceeds rupees 1 crore. VAT registration of most of the dealers has been cancelled with effect from the 1st July 2017, due to introduction of GST. The turnover under VAT of these dealers for the year 2017-18, would be considered for the first three months only. Hence, it is proposed that the turnover limit for audit of these dealers would be considered at rupees 25 lakh.

- To implement GST effectively, it is necessary to complete the VAT work expeditiously. In this regard, in VAT Act, there is a provision to notify the scheme. As per the notification, the Commissioner can select cases for assessment or for other processes. If a dealer files an appeal against the selection process undertaken by the Commissioner, then disposal could be delayed. Therefore, it is proposed that appeal cannot be filed against the case selection process.

➤ **Goods and Services Tax Act**

- For the purposes of the GST Act, there is a provision for appointment of officers on various posts. As there is no express mention of the post of State Tax Officer, it is proposed to mention it in the provision accordingly.

➤ **Profession Tax Act**

- It is proposed to include limited liability partnership (LLP) entities in the class of persons liable to pay Profession Tax.

- Every professional is required to obtain enrolment certificate and pay Profession Tax. The responsibility to collect Profession Tax from the professionals and pay it to the Government, shall be entrusted to the organizations, authorities with whom such professionals are engaged in economic activities. It is proposed to empower the Government to issue notification, in this regard.

- An enrolled person is required to pay Profession Tax every year upto the age of 65 years whereas other professional entities are required to pay Profession Tax every year till the profession is continued. It is proposed to announce an attractive scheme to allow One-Time Payment of Tax (OTPT) at a concessional rate, instead of paying tax every year.

- To make effective recoveries, it is proposed that the recovery provisions under the GST may be made applicable to recoveries under Profession Tax.

- To ensure optimum utilization of manpower, it is proposed to delegate certain statutory powers to the inspector.

- Gathering information from various organizations becomes necessary to trace the persons liable to tax for effective collection of Profession Tax revenue. Accordingly, it is proposed to empower the Commissioner to collect such information by issuing notification.

Speaker Sir, I hope that Honourable Members shall support the proposals.

Jai Hind ! Jai Maharashtra !!