

PRESS NOTE ON BIHAR FINANCE BILL-2012

- To enhance simplicity and transparency in tax administration a new section 15A is proposed to be inserted in the Bihar Value Added Tax Act, 2005 enabling the State Government to provide compounding scheme of tax liability in case of certain goods like gold and silver and in respect of certain categories of dealers like works contractors and restaurants.
- It is proposed to amend section 16 of the Bihar Value Added Tax Act, 2005 in order to provide for a time frame for carry forward of unadjusted input tax credit, denial of input tax credit in case of purchases from dealers under compounding and to restrict input tax credit in case of sales of goods at a price lower than the purchase price. Further, it is proposed to enhance the availability of input tax credit in case of inter-state stock transfers.
- It is proposed to amend section 19 of the Bihar Value Added Tax Act, 2005 in order to make provision for security deposit equivalent to Rs.10000/- for registration of dealers with no liability of tax under the Act.
- It is proposed to amend section 24 of the Bihar Value Added Tax Act, 2005 in order to provide for different dates for filing of returns by different categories of registered dealers so as to lower the burden on departmental servers on the last date for filing of returns.
- It is proposed to amend section 35 of the Bihar Value Added Tax Act, 2005 in order to provide for deduction at a fixed rate from the Gross Turnover in case of dealers under compounding.
- It is proposed to amend section 41 of the Bihar Value Added Tax Act, 2005 in order to raise the rate of deduction of tax at source from 4% to 5% in case of works contractors.
- Since it is being proposed to refund the amount of unadjusted input tax credit, upon verification, within a fixed time period, it is proposed to insert a new section 69A in the Bihar Value Added Tax Act, 2005.
- In order to enable the Commissioner to extend the date for making online payments, online filing of returns and of reports, it is being proposed to insert a new section 98A in the Bihar Value Added Tax Act, 2005.

- Section 2 of the Bihar Electricity Duty Act, 1948 is being proposed to be amended so as to define the expression “value of energy” in order to resolve the dispute surrounding the “value of energy”.
- In order to do away with the requirement of filing of returns and to provide for self assessment under the Professional Tax Act, it is being proposed to amend sections 3 and 7 of the Bihar Tax on Professions, Trades, Callings and Employments Act, 2011.
- In view of the rising loads on roads and rising pollution levels it is being proposed to impose additional levies on motor vehicles under the Bihar Motor Vehicles Act in order to provide for funds for this purpose. Such levy of tax will be at the rate of 6% on the VAT-exclusive value of motorcycles, at the rate of 6% on the VAT-exclusive value of cars costing less than Rs.4 lacs and at the rate of 7% on the VAT-exclusive value of cars costing more than Rs.4 lacs. In addition to this, motorcycles, chassis of heavy vehicles and other vehicles are being required to pay trade tax of Rs.150/-, Rs.250/- and Rs.200/- per annum, respectively.