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PART - II

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GOVERNMENT OF PUDUCHERRY
LEGISLATIVE ASSEMBLY

No. 104/LA/Budget Session-July2020/Bills.

Puducherry, the 22nd July 2020.

Under rule 140 of Rules of Procedure and Conduct of Business
of the Puducherry Legislative Assembly, the following Bills viz.,

- The Puducherry Goods and Services Tax (Second Amendment) Bill,
2020 (Bill No. 5 of 2020).
- The Puducherry Settlement of Arrears Bill, 2020 (Bill No. 6 of 2020).

which were introduced in the Legislative Assembly on 21st July, 2020, are published
for general information.

THE PUDUCHERRY GOODS AND SERVICES TAX
(SECOND AMENDMENT) BILL, 2020
(Bill No. 5 of 2020)

A

BILL

**further to amend the Puducherry Goods and
Services Tax Act, 2017.**

BE it enacted by the Puducherry Legislative
Assembly in the Seventy-first Year of the Republic
of India as follows:-

Short title and
commencement.

1. (1) This Act may be called the Puducherry
Goods and Services Tax (Second Amendment)
Act, 2020.

(2) Save as otherwise provided, sections
2 to 14 of this Act shall come into force on such
date as the Government of Puducherry may, by
notification in the Official Gazette, appoint.

Amendment of
section 2.

2. In section 2 of the Puducherry Goods and Services Tax Act, 2017 (hereinafter referred as the principal Act), in clause (114), for the existing sub-clauses (c) and (d), the following sub-clauses shall be substituted, namely:--

Act
No. 6
of
2017.

“(c) Dadra and Nagar Haveli and Daman
and Diu;

(d) Ladakh;”.

Amendment of
section 10.

3. In section 10 of the principal Act, in
sub-section (2), in clauses (b), (c) and (d), after
the words “of goods”, the words “or services”
shall be inserted.

4. In section 16 of the principal Act, in sub-section (4), the words “invoice relating to such” shall be omitted. Amendment of section 16.

5. In section 29 of the principal Act, in sub-section (1), for the existing clause (c), the following clause shall be substituted, namely:— Amendment of section 29.

“(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of section 25:”.

6. In section 30 of the principal Act, in sub-section (1), for the existing proviso, the following proviso shall be substituted, namely:— Amendment of section 30.

“Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;

(b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a).”.

7. In section 31 of the principal Act, in sub-section (2), for the existing proviso, the following proviso shall be substituted, namely:— Amendment of section 31.

“Provided that the Government may, on the recommendations of the Council, by notification,—

(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;

(b) subject to the condition mentioned therein, specify the categories of services in respect of which—

(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(ii) tax invoice may not be issued.”.

Amendment of
section 51.

8. In section 51 of the principal Act,—

(a) for the existing sub-section (3), the following sub-section shall be substituted, namely:—

“(3) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.”;

(b) sub-section (4) shall be omitted.”.

Amendment of
section 122.

9. In section 122 of the principal Act, after the existing sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.”.

Amendment of
section 132.

10. In section 132 of the principal Act, in sub-section (1),—

(i) for the existing words “Whoever commits any of the following offences”, the words “Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences” shall be substituted;

(ii) for the existing clause (c), the following clause shall be substituted, namely:--

“(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill;”;

(iii) in the existing clause (e), the words”, fraudulently avails input tax credit” shall be omitted.

11. In section 140 of the principal Act, with effect from the 1st day of July, 2017,—

Amendment of
section 140.

(a) in sub-section (1), after the words “existing law”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;

(b) in sub-section (2), after the words “appointed day”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;

(c) in sub-section (3), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

(d) in sub-section (5), for the words “existing law”, the words “existing law, within such time and in such manner as may be prescribed” shall be substituted and shall be deemed to have been substituted;

(e) in sub-section (6), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted.

Insertion of new section 168A. 12. After section 168 of the principal Act, the following section shall be inserted with effect from the 31st day of March, 2020, namely:—

Power of Government to extend time limit in special circumstances. “168A. (1) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, by notification, extend the time limit specified in, or prescribed or notified under, this Act in respect of actions which cannot be completed or complied with due to force majeure.

(2) The power to issue notification under sub-section (1) shall include the power to give retrospective effect to such notification from a date not earlier than the date of commencement of this Act.

Explanation.— For the purposes of this section, the expression “force majeure” means a case of war, epidemic, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature or otherwise affecting the implementation of any of the provisions of this Act.”.

Amendment of section 172. 13. In section 172 of the principal Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

Amendment of Schedule II. 14. In Schedule II to the principal Act, in paragraph 4 (a) and (b), the existing words “whether or not for a consideration,” shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

15. (1) Notwithstanding anything contained in the notification of the Commercial Taxes Secretariat, Government of Puducherry issued *vide* G.O. Ms. No. 1/2017-Puducherry GST (Rate), dated the 29th June, 2017 [published in the Gazette of Puducherry, Extraordinary Part-I, No. 95, dated the 29th June, 2017] by the Government on the recommendations of the Council, in exercise of the powers conferred under sub-section (1) of section 9 of the principal Act,—

Retrospective exemption from, levy and collection of, State tax in certain cases.

(i) no State tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);

(ii) State tax at the rate of six per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

STATEMENT OF OBJECTS AND REASONS

The Puducherry Goods and Services Tax Act, 2017 was enacted by Act No. 6 of 2017 with a view to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Government.

2. The GST Council in its 38th meeting held on 18th December, 2019 recommended amendments in the GST Law to provide for revenue augmentation measures, trade facilitation and simplification measures and enforcement measures. In order to carry out the amendments as recommended by the GST Council, amendments are proposed in the Puducherry Goods and Services Tax Act, 2017.

3. The proposed Puducherry Goods and Services Tax (Second Amendment) Bill, 2020, *inter alia*, provides for the following, namely:—

(i) to align the definition of “Union territory” in line with the Jammu and Kashmir Reorganisation Act, 2019 and the Dadra and Nagar Haveli and Daman and Diu (Merger of Union territories) Act, 2019.

(ii) to harmonise the conditions for eligibility for opting to pay composition tax.

(iii) to delink the date of issuance of debit note from the date of issuance of the underlying invoice for purposes of availing input tax credit.

(iv) to provide for cancellation of registration of taxpayers who have got voluntary registration.

(v) to empower the jurisdictional tax authorities to extend the period for filing application for revocation of cancellation of registration.

(vi) to empower the Government to notify the categories of services or supplies in respect of which tax invoice shall be issued and to make rules regarding the time and manner of its issuance.

(vii) to empower the Government to make rules to provide for the form and manner in which a certificate of tax deduction at source shall be issued.

(viii) to make the beneficiary of certain transactions which are declared as offence under the Act and at whose instance such transactions are conducted, liable for penalty.

(ix) to make the offence of fraudulent availment of input tax credit without invoice or bill cognizable and non-bailable offence and to make any person who retains the benefit of certain transactions and at whose instance such transactions are conducted liable for punishment.

(x) to prescribe the time limit and the manner for availing input tax credit of unavailed credit under the existing law, retrospectively from the 1st day of July, 2017.

(xi) to empower the Government, on the recommendations of the Council, by notification, to extend the time limit specified in, or prescribed or notified under, the Act in respect of actions which cannot be completed or complied with due to force majeure.

(xii) to extend the time limit provided for removal of difficulties from three years to five years.

(xiii) to amend provisions relating to “transfer of business entries” in Schedule II of the Act which deals with activities to be treated as supply of goods and supply of services, so as to bring in clarity.

(xiv) to provide retrospective exemption from State tax on supply of fishmeal, during the period from the 1st day of July, 2017 up to 30th day of September, 2019.

(xv) to retrospectively levy State tax at the reduced rate of six percent. on supply of pulley, wheels and other parts used as parts of agricultural machinery.

4. The Bill seeks to achieve the above objects.

V. NARAYANASAMY,
Chief Minister.

FINANCIAL MEMORANDUM

The proposed Puducherry Goods and Services Tax (Second Amendment) Bill, 2020 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the Union territory of Puducherry.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill seeks to amend section 31 of the Puducherry Goods and Services Tax Act, 2017. Sub-section (2) of the said section empowers the Government to make rules to provide for the time and manner of issuing tax invoice.

Clause 8 of the Bill seeks to amend section 51 of the said Act. Sub-section (3) of the said section empowers the Government to make rules to provide for the form and manner in which a certificate of tax deduction at source shall be issued.

Clause 11 of the Bill seeks to amend section 140 of the said Act with retrospective effect to empower the Government to make rules to provide for the time limit and the manner for availing input tax credit against certain unavailed credit under the existing law.

2. The matters in respect of which the rules may be made are in accordance with the provisions of the Bill and are matters of procedure and administrative details and it is not practicable to provide for them in the Bill itself.

3. The powers delegated are of normal and not of an exceptional character.

ADMINISTRATOR'S RECOMMENDATION UNDER
SUB-SECTION (1) OF SECTION 23 OF THE GOVERNMENT
OF UNION TERRITORIES ACT, 1963

[Copy of the Letter No. 13-240/CM/2020, dated 16-07-2020 from Thiru V. Narayanasamy, Hon'ble Chief Minister to the Hon'ble Speaker, Legislative Assembly, Puducherry.]

The Lieutenant-Governor, Puducherry, having been informed of the subject matter of the proposed Puducherry Goods and Services Tax (Second Amendment) Bill, 2020 providing to amend the Puducherry Goods and Services Tax Act, 2017 (Act No. 6 of 2017), recommends under sub-section (1) of section 23 of the Government of Union Territories Act, 1963 (Central Act 20 of 1963), the introduction in and consideration by the Legislative Assembly of the said Bill.

THE PUDUCHERRY SETTLEMENT OF
ARREARS BILL, 2020
(Bill No. 6 of 2020)

A

BILL

to provide for settlement of arrears of tax, penalty and interest which were levied, payable or imposed, respectively under Pondicherry General Sales Tax Act, 1967, Puducherry Value Added Tax Act, 2007 and Central Sales Tax Act, 1956 administered by the Commercial Taxes Department, Puducherry and for the matters connected therewith or incidental thereto.

Short title,
extent and
commencement.

BE it enacted by the Puducherry Legislative Assembly in the Seventy-first Year of the Republic of India as follows:-

1. (1) This Act may be called the Puducherry Settlement of Arrears Act, 2020.

(2) It extends to the whole of the Union territory of Puducherry.

(3) It shall come into force on such date, as the Government, may by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,-

(a) "Appellate Authority" means, the Appellate Assistant Commissioner appointed under the Puducherry Value Added Tax Act, 2007 or the erstwhile Pondicherry General Sales Tax Act, 1967;

(b) "applicant" means, a dealer as defined in the Relevant Act who is liable to pay arrears of tax, penalty and interest, levied or imposed under the Relevant Act and who desires to avail the benefit of settlement, by complying with the conditions, under this Act;

(c) "arrears of tax, penalty and interest" respectively means-

(i) tax payable by an applicant under the relevant Act;

(ii) penalty payable by an applicant under the relevant Act, other than sub-clause (iii) of this clause.

(iii) penalty payable by an applicant under sub-section (3) of section 27 of the Pondicherry General Sales Tax Act, 1967 or section 24A of the Puducherry Value Added Tax Act, 2007.

(d) "assessing authority" means, an assessing officer who has jurisdiction over the applicant under the Puducherry Value Added Tax Act, 2007 or Pondicherry General Sales Tax Act, 1967 and includes an officer authorized by the Commissioner in this behalf under the relevant Act;

Act No. 6 of 2017. (e) "Commissioner" means, any person appointed as the Commissioner of State Tax under section 3 of the Puducherry Goods and Services Tax Act, 2017 and includes the Commissioner of Commercial Taxes appointed under section 3 of the Puducherry Value Added Tax Act, 2007;

(f) "Government" means, the Government of Puducherry;

(g) "Relevant Act" means the following Acts:-

Act No. 74 of 1956. (i) the Central Sales Tax Act, 1956;

Act No. 74 of 1967. (ii) the repealed Pondicherry General Sales Tax Act, 1967;

Act No. 9 of 2007. (iii) the Puducherry Value Added Tax Act, 2007.

(h) "Revisional Authority" means, the authority conferred with special powers or powers of revision under section 35 or 36 or 37 of the Pondicherry General Sales Tax Act, 1967 or under section 45 or 46 of the Puducherry Value Added Tax Act, 2007, as the case may be.

(i) "Tribunal" means, the Pondicherry Sales Tax Appellate Tribunal.

(2) Unless there is anything repugnant to the subject or context, all expressions used in this Act, which are not defined, shall have the same meaning as defined or used in the relevant Act.

Eligibility for settlement.

3. Subject to the other provisions of this Act, an applicant may make an application for settlement of arrears of tax, penalty and interest in respect of which any assessment is completed and demand raised under the relevant Act prior to the 1st day of July 2017:

Provided that if, an appeal or revision or any case against assessment is pending before the Tribunal or High Court or Supreme Court, as on the date of submission of application under section 4, other than the private complaints filed by the Government before the Judicial Magistrate Court, then the demand covered under such assessment shall not be eligible for settlement.

Application for settlement.

4. (1) An application for the purpose of section 3 shall be made to the Assessing Authority by an applicant within ninety days from the date of commencement of this Act or by such later date as the Government may, by notification, specify, from time to time, in such form, and in such manner, as may be prescribed.

(2) The application shall be accompanied with proof of payment of fifty percent. of the tax amount remaining unpaid as on the date of making application under sub-section (1).

(3) The application shall be submitted separately for each assessment under the relevant Act.

(4) The applicant shall send a copy of the application made under sub-section (1) to the appellate authority or the revisional authority under the relevant Act, before whom any appeal or revision, as the case may be, is pending within seven days from the date of making such application before the assessing authority.

5. (1) The assessing authority shall verify the correctness of the particulars furnished in the application made under section 4 with reference to all relevant records and determine the amount of tax and penalty payable by the applicant at the rates specified in section 6. The amount so determined shall be communicated to the applicant in the prescribed Form within fifteen days from the date of submission of application by the applicant under sub-section (1) of section 4.

Determination of the amount payable by the applicant and payment thereof.

(2) If, the amount paid by the applicant along with the application submitted under sub-section (1) of section 4 falls short of not more than ten percent. of the amount payable under sub-section (2) of section 4, then the assessing authority shall issue a notice to the applicant in the prescribed Form demanding payment of differential amount within a period of seven days from the date of receipt of notice.

(3) If, the amount paid by applicant along with the application falls short of more than ten percent. of the amount payable under sub-section (2) of section 4 or the applicant fails to pay the differential amount as per the notice issued under sub-section (2) within the time allowed, then the assessing authority shall summarily reject the application by an order in writing.

(4) The balance tax and penalty amount as determined by the assessing authority under sub-section (1) after adjusting all payments made earlier against the relevant demand including the amount paid under sub-section (2) of section 4 or sub-section (2) of this section shall be paid by the applicant within three months from the date of communication of amount determined by the assessing officer under sub-section (1) without the requirement of any further notice from the assessing authority.

(5) If, the applicant fails to pay the tax and penalty amount payable under sub-section (4) within the period allowed for its payment, the assessing authority shall reject the application by an order in writing.

(6) Any payment made under this Act shall not be refundable. On rejection of application under sub-section (3) or (5), the amount paid by the applicant under this Act shall be treated to have been paid against the respective demand under the relevant Act.

(7) The amount determined or payable under this section shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee, and, if, such part is fifty paise or more, it shall be rounded off to the nearest rupee, and if, such part is less than fifty paise, it shall be ignored.

6. (1) Notwithstanding anything contained in the relevant Act, but, subject to the provisions of this Act, the applicant applying for settlement under section 4 shall pay the arrears of tax and penalty as below:

Rate applicable in determining amount payable and waiver.

(a) *Tax*-one hundred percent. of the amount remaining unpaid as on the date of application.

(b) *Penalty*-twenty five percent. of the amount remaining unpaid as on the date of application.

(2) On completion of payment under sub-section (1), the balance penalty and the entire interest shall be waived.

7. (1) The assessing authority shall, on being satisfied about the payment of the amount determined under sub-section (1) of section 5, by an order, settle the arrears of tax, and penalty and issue a certificate in such form as may be prescribed, and thereupon, the applicant shall be discharged from his liability to make payment of the balance amount of arrears of penalty and interest.

Settlement of arrears and issue of certificate.

(2) The certificate under sub-section (1) shall be issued within fifteen days of payment of the entire amount determined under sub-section (1) of section 5 and separate certificate shall be issued in respect of each application.

(3) The assessing authority, for reasons to be recorded in writing, may refuse to settle the arrears of tax, penalty and interest:

Provided that no order under this sub-section shall be passed without giving the applicant a reasonable opportunity of showing cause against such refusal.

(4) After a certificate under sub-section (1) is issued by the assessing authority, the Commissioner may, at any time within one year from the date of issue of the certificate, call for the record of such certificate and after noticing an error in such certificate, in so far as it is prejudicial to the interest of revenue, may modify the certificate after allowing the applicant a reasonable opportunity of showing cause.

Bar on re-opening of settled cases.

8. A certificate issued under section 7 shall be conclusive as to the settlement to which it relates, and no matter covered by such certificate shall be re-opened in any proceeding of review or revision, or in any other proceeding, under the relevant Act.

Withdrawal of appeal, revisions and revenue recovery Actions.

9. (1) Notwithstanding anything to the contrary contained in any provision in the relevant Act, appeal or revision for any period pending before the appellate authority or revisional authority, as the case may be, under the relevant Act in respect of which a certificate is issued under section 7, shall be deemed to have been withdrawn.

(2) Any order passed by the appellate authority or revisional authority subsequent to the date of filing of application for settlement of arrears of tax, penalty and interest resulting in claim for refund of amount paid upto the time of settlement of such arrears of tax and penalty under this Act, will not be taken into consideration.

(3) Where any revenue recovery proceedings under the Puducherry Revenue Recovery Act, 1970 has been initiated or private complaint has been filed before the Judicial Magistrate Court against the applicant for recovery of arrears of tax, penalty and interest, on issue of certificate under section 7, the revenue recovery proceedings and the private complaint relevant to the demand for which the certificate is issued shall be withdrawn:

Act
No. 14
of
1970.

Provided that the private complaint pending before the Judicial Magistrate Court shall not be withdrawn without the prior approval of the Government.

10. No authority shall proceed to decide in any appeal or revision under the relevant Act relating to any assessment order in respect of which a copy of the application has been received under sub-section (1) of section 4:

Authority not to proceed in certain cases.

Provided that such authority shall proceed to decide such proceeding or appeal or revision in accordance with the provisions of the relevant Act, if the application is rejected under sub-section (3) or (5) of section 5 or if a certificate referred to in sub-section (1) of section 7 is refused to the applicant by an order passed by the assessing authority under sub-section (3) of section 7.

11. (1) Notwithstanding anything contained in section 8 or section 9, where it appears to the assessing authority that an applicant has obtained the certificate under section 7 by suppressing any material information or particulars or by furnishing any incorrect or false information or particulars, such assessing authority, may, within a period of two years from the date of issue of the said certificate, for reasons to be recorded in writing and after giving the applicant a reasonable opportunity of showing cause, revoke the certificate issued under sub-section (1) of section 7.

Revocation of certificate.

(2) If a certificate is revoked under sub-section (1), any appeal or revision, as the case may be, under the relevant Act, covered by such certificate shall, notwithstanding the provisions of section 8 or section 9, stand revived or reinstated

immediately upon such revocation, and such appeal or revision shall be decided in accordance with the provisions of the relevant Act, as if no settlement of the arrears of tax and penalty in such proceeding or appeal or revision has ever been made under this Act.

(3) In the case of revocation of a certificate in accordance with sub-section (1), the amount paid by the applicant under section 5 shall be treated as payment towards the amount payable under the relevant Act for the demand for which the certificate has been revoked.

Information to be sent to authorities under relevant Act.

12. The assessing authority within three days of the receipt or issue, as the case may be, shall communicate to the appellate authority or revisional authority under the relevant Act, who for the time being, has jurisdiction over the applicant under the relevant Act and to the Commissioner,—

(a) copy of order passed under sub-section (3) or (5) of section 5;

(b) copy of an order passed and certificate issued under sub-section (1) of section 7;

(c) copy of revocation order passed under sub-section (1) of section 11; and

(d) such other matters as it may deem necessary.

Power to remove difficulties.

13. If, any difficulty arises in giving effect to any of the provisions of this Act, the Government may, by order, not inconsistent with the provisions of this Act, remove such difficulty:

Provided that no such order shall be made after the expiry of one year from the date of coming into force of this Act.

14. (1) The Government may, make rules, ^{Power to make rules.} whether prospectively or retrospectively, for carrying out the purposes of this Act.

(2) (a) All rules made under this Act shall be published in the Official Gazette and unless they are expressed to come into force on a particular day, shall come into force on the day, on which they are so published.

(b) All notifications issued under this Act shall, unless they are expressed to come into force on a particular day, come into force on the day on which they are so published.

(3) Every rule made or notification issued under this Act and every order made under section 13 shall, as soon as may be after it is made or issued, be laid before the Legislative Assembly, Puducherry, while it is in session for a total period of fourteen days, which may be comprised in one session or in two or more successive sessions, and, if, before the expiry of the session in which it is so laid or the successive sessions aforesaid, the Legislative Assembly makes any modification in the rule or notification or order or decides that any such rule or notification or order should not be made or issued, that rule or notification or order shall thereafter have effect only in such modified form or be of no effect as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification or order.

STATEMENT OF OBJECTS AND REASONS

Goods and Services Tax has been implemented in the Union territory of Puducherry *vide* the Puducherry Goods and Services Tax Act, 2017 with effect from 1st July 2017. Under Goods and Service Tax various levies on Goods and Services have been subsumed.

2. After the implementation of Goods and Services Tax, the work-load under the said Act has increased. There are large number of cases and litigations pending under the repealed Pondicherry General Sales Tax Act, 1967, the Puducherry Value Added Tax Act, 2007 and the Central Sales Tax Act, 1956 which involves locking of substantial amount of tax revenue. The Government, therefore, considers it expedient to provide for an Act for settlement of arrears of tax, penalty and interest under the aforesaid Acts in respect of which assessment or reassessment is completed and demand has been created prior to the 1st day of July 2017. The Act envisages the safeguarding of the revenue fully in respect of taxes and with an incentive towards the partial waiver of penalty subject to the conditions laid down in the Act.

3. For the purpose, it is proposed to enact the Puducherry Settlement of Arrears Act, 2020.

4. The Bill seeks to achieve the above objects.

V. NARAYANASAMY,
Chief Minister.

FINANCIAL MEMORANDUM

The Bill proposes to provide for the settlement of arrears for which the demand has been created under the repealed Pondicherry General Sales Tax Act, 1967, the Puducherry Value Added Tax Act, 2007 and the Central Sales Tax Act, 1956 during the period prior to the 1st day of July 2017.

There is no provision in the Bill which would involve the recurring or non-recurring expenditure from the Consolidated Fund of the Union Territory of Puducherry on its enactment as an Act of the Puducherry Legislature.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposals for delegation of legislative power, namely:—

Clause 13.— Under this clause, Government is empowered to remove, by an order, within a period of one year from the date of coming into force of the Act, any difficulty, which may arise in giving effect to the provisions of the Act.

Clause 14.— Under this clause, Government is empowered to frame rules whether prospectively or retrospectively for carrying out the purposes of the Act.

ADMINISTRATOR'S RECOMMENDATION UNDER
SUB-SECTION (1) OF SECTION 23 OF THE GOVERNMENT
OF UNION TERRITORIES ACT, 1963

[Copy of the Letter No. 13-239/CM/2020, dated 16-07-2020 from
Thiru V. Narayanasamy, Hon'ble Chief Minister to the Hon'ble
Speaker, Legislative Assembly, Puducherry.]

The Lieutenant-Governor, Puducherry, having been informed of the subject matter of the proposed Puducherry Settlement of Arrears Bill, 2020 providing for settlement of arrears of tax, penalty and interest under the repealed Pondicherry General Sales Tax Act, 1967, the Puducherry Value Added Tax Act, 2007 and the Central Sales Tax Act, 1956, recommends under sub-section (1) of section 23 of the Government of Union Territories Act, 1963 (Central Act 20 of 1963), the introduction in and consideration by the Legislative Assembly of the said Bill.

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