

**List of Amendments Acts – 16 of 2002, 51 of 2002, 22 of 2003, 5 of 2004,**

**TAMIL NADU GOVERNMENT GAZETTE EXTRAORDINARY**

The following Act of the Tamil Nadu Legislative Assembly received the assent of the Governor on the 25th September 2001 and is hereby published for general information:—

**ACT No. 20 OF 2001.**

An Act to provide for the levy of tax on the entry of goods into local areas for consumption, use or sale therein.

WHEREAS it is necessary to augment the revenue of the State to compensate the expenditure to provide trading facilities including laying and maintenance of roads and provision of markets and welfare measures;

AND WHEREAS it is considered necessary to levy and collect taxes on the goods entering into the local areas of the State for consumption, use or sale therein for the above purposes;

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Fifty-second Year of the Republic of India as follows:—

**CHAPTER-I**

**PRELIMINARY.**

**1. Short title, extent and commencement.** (1) This Act may be called the Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001.

(2) It extends to the whole of the State of Tamil Nadu.

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

**2. Definitions.** In this Act, unless the context otherwise requires,—

(a) “appellate authority” means an appellate authority appointed under section

(b) “assessing authority” means—

(i) in the case of an importer, who is a dealer, the authority as specified under the General Sales Tax Act;

(ii) in the case of an importer, other than a dealer, the officer in-charge of the check-post, through which the scheduled goods are brought into the State or the Commercial Tax Officer having jurisdiction over the area, in which such importer ordinarily resides;

(c) “entry of goods into a local area” with all its grammatical variations and cognate expressions, means entry of scheduled goods into a local area from any place outside the State for consumption, use or sale therein;

(d) “General Sales Tax Act” means the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959);

(e) “goods vehicle” means any motor vehicle constructed or adapted for the carriage of goods, or any other motor vehicle not so constructed or adapted when used for the carriage of goods solely or in addition to passengers;

(f) “Government” means the State Government;

(g) “importer” means a person who brings or causes to be brought any scheduled goods whether on his own account or on account of a principal or any other person, into a local area, from any place outside the State for consumption, use or sale therein or who owns the scheduled goods at the time of entry into the local area;

(h) “local area” means the area within the limits of,—

(i) the City of Chennai as defined in the Chennai City Municipal Corporation Act, 1919 (Tamil Nadu Act IV of 1919), or

(ii) the City of Madurai as defined in the Madurai City Municipal Corporation Act, 1971 (Tamil Nadu Act 15 of 1971), or

(iii) the City of Coimbatore as defined in the Coimbatore City Municipal Corporation Act, 1981 (Tamil Nadu Act 25 of 1981), or

(iv) the City of Tiruchirappalli as defined in the Tiruchirappalli City Municipal Corporation Act, 1994 (Tamil Nadu Act 27 of 1994), or

(v) **Tamil Nadu Act 28 of 1994**, the City of Tirunelveli as defined in the Tirunelveli City Municipal Corporation Act, 1974, or

(vi) the City of Salem as defined in the Salem City Municipal Corporation Act, 1994 (Tamil Nadu Act 29 of 1994), or

(vii) any other Municipal Corporation that may be constituted under any law for the time being in force, or

(viii) a municipality under the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920), or

(ix) a panchayat under the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994)

(i) “person” includes any company or association or body of individuals whether incorporated or not, a firm, a local authority, a Hindu undivided family, a society, a club, an individual or the Government of any other State or Union Territory;

(j) “scheduled goods” means the goods specified in the Schedule to this Act;

(k) “State” means the State of Tamil Nadu;

(l) “value of the scheduled goods” means the purchase value of the scheduled goods, as ascertained from original invoice and includes the value of accessories fitted to such goods, insurance, excise duties, countervailing duties, sales tax, transport fee, freight charges and all other charges incidentally levied on the purchase of such goods:

Provided that, where purchase value of any scheduled goods is not ascertainable on account of non-availability or non-production of a original invoice or when the invoice produced is proved to be false or if any scheduled goods is acquired or obtained otherwise than by way of purchase; then the purchase value shall be the value or price at which any goods of like kind or quality is sold or is capable of being sold, in open market;

(m) words and expression used but not defined in this Act shall have the meanings assigned to them under the General Sales Tax Act.

## **CHAPTER-II.**

### **LEVY OF TAX.**

**3. Levy and collection of tax.** (1) Subject to the provisions of this Act, there shall be levied and collected a tax on the entry of any scheduled goods into any local area for consumption, use or sale therein. The rate of tax shall be at such rate not exceeding thirty per cent on the value of the scheduled goods, as

may be fixed by the Government, by notification and different rates may be fixed for different scheduled goods.

(2) The tax shall be payable by an importer in accordance with the provisions of this Act.

**4. Reduction in tax liability.** (1) Where an importer of any scheduled goods liable to pay tax under this Act, being a dealer in scheduled goods becomes liable to pay tax under the General Sales Tax Act and additional sales tax under the Tamil Nadu Additional Sales Tax Act, 1970 (Tamil Nadu Act 14 of 1970), by virtue of the sale of such scheduled goods, then his liability under those Acts shall be reduced to the extent of tax paid under this Act.

(2) Where an importer who, not being a dealer in scheduled goods, had purchased the scheduled goods for his own use or consumption in any Union Territory, or any other State, then his liability under this Act, shall, subject to such conditions as may be prescribed, be reduced to the extent of the amount of tax-paid, if any, under the law relating to General Sales Tax as may be in force in that Union Territory or State.

### **CHAPTER-III.**

#### **OFFENCES AND PENALTIES.**

**5. Offences and penalties.** (1) Any person, who--

(a) fails to pay, within the time allowed any tax assessed or any penalty imposed on him under this Act, or

(b) wilfully acts in contravention of the provisions of this Act or the rules made thereunder, shall, on conviction, be liable to be punished with fine which may extend to two thousand rupees.

(2) Any person, who—

(a) wilfully submits an untrue return or fails to submit a return as required by the provisions of this Act or the rules made thereunder, or

(b) fraudulently evades the payment of any tax, and other amount due from him under this Act, shall, on conviction, be liable to be punished, if it is a first offence, with fine which may extend to two thousand rupees, and if it is a second or subsequent offence, with simple imprisonment which may extend to six months or with fine which may extend to five thousand rupees or with both.

(3) Any person who makes any statement or declaration in any of the records or documents, which statement or declaration he knows or has reason to believe to be false shall, on conviction, be liable to be punished with simple imprisonment, which may extend to six months or with fine which may extend to two thousand rupees or with both.

(4) Any person, who is in any way knowingly concerned in any fraudulent evasion or attempt at evasion or abetment of evasion of any tax payable under this Act shall, on conviction, be liable to be punished with simple imprisonment which may extend to six months or with fine which may extend to two thousand rupees or with both.

**6. Cognizance of offences.** (1) No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate shall try any offence punishable under this Act.

(2) No court shall take cognizance of any offence punishable under subsection (2) of section 5 except upon a complaint in writing by the Deputy Commissioner, having jurisdiction over the local area.

#### **CHAPTER-IV.**

#### **APPEAL AND REVISION.**

**7. Appellate authorities.** The Government may, by notification, appoint such officers as they think fit to be the appellate authorities for the purposes of this Act and may assign to them such local area or areas as the Government may think fit.

**8. Appeal.** (1) An appeal from every original order under this Act shall lie to the appellate authority appointed under section 7.

(2) In the case of an order passed in appeal by the appellate authority, a second appeal shall lie to the Joint Commissioner of Commercial Taxes.

(3) No appeal shall be entertained by the appellate authority or the Joint Commissioner of Commercial Taxes, unless it is filed within thirty days from the date of receipt of the order appealed against by the assessee, and unless the entire amount of tax and penalty, if any, has been credited by the assessee in the Government Treasury.

(4) Subject to such rules of procedure as may be prescribed, every appellate authority (in the first appeal or the second appeal) shall have the following powers, namely:—

(a) in an appeal against an order of assessment, it may confirm, reduce, enhance or annul the assessment; or it may set aside the assessment and refer the case back to the assessing authority for making a fresh assessment in accordance with the direction given by it and after making such further inquiry as may be necessary, the assessing authority shall thereupon proceed to make such fresh assessment and determine, where necessary, the amount of tax payable on the basis of such fresh assessment; and

(b) in any other case, the appellate authority or the Joint Commissioner of Commercial Taxes, as the case may be, may pass such orders in the appeal as it deems just and proper.

**9. Revision.** (1) The Commissioner of Commercial Taxes may suo-motu or on an application made in that behalf, call for and examine the record of the proceeding of any order made by the assessing authority or, as the case may be, the appellate authority (in the first appeal or the second appeal) and pass such order thereon as he thinks just and proper.

(2) No application under sub-section (1) shall be entertained, if it is not made within a period of four months from the date of the order.

(3) No order which adversely affects any person shall be passed under this section, unless such person has been given a reasonable opportunity of being heard by the Commissioner of Commercial Taxes.

(4) Where an appeal lies under section 8 and no appeal is made, no proceedings in revision shall be entertained upon an application.

(5) Where the Commissioner of Commercial Taxes rejects any application for revision under this section, he shall record the reasons for such rejection.

## **CHAPTER-V.**

### **TAX AUTHORITIES, RETURNS, ASSESSMENTS, PAYMENTS, RECOVERY AND REFUND OF TAX AND REVIEWS.**

**10. Tax authorities, returns, assessments, payments, recovery and refund of tax and reviews.** (1) Subject to the other provisions of this Act and the rules made thereunder, the authorities for the time being empowered to assess, re-assess, inspect, search, seize, confiscate, collect and enforce payment of any tax under the General Sales Tax Act shall assess, re-assess, inspect, search, seize, confiscate, collect and enforce payment of tax, including any interest or penalty, payable by a dealer, an importer under this Act as if the tax or interest or penalty by such importer under this Act is a tax or interest or penalty payable under the General Sales Tax Act, and for this purpose they may exercise all or any of the powers they have under the General Sales Tax Act; and the provisions of the General Sales Tax Act, including provisions relating to returns, provisional assessment, advance payment of tax, imposition of the tax liability of a person carrying on business on the transferee of, or successor to, such business, transfer of liability of any firm or Hindu undivided family to pay tax in the event of the dissolution of such firm or partition of such family, recovery of tax from third parties, reviews, references, refunds, rebates, penalties, charging or payment of interest, inspection of the premises of transporters, goods vehicles, business premises, search of the residential accommodation, seizure and confiscation of unaccounted for scheduled goods, seizure of documents, compounding of offences and treatment of documents furnished by a dealer as confidential, shall apply accordingly.

(2) All the provisions relating to offences, interest and penalties including provisions relating to penalties in lieu of prosecution for an offence or in addition to the penalties or punishment for an offence of the General Sales Tax Act shall, with necessary modifications, apply in relation to the assessment, re-assessment, determination of the value or the fair market price of goods, collection and enforcement of payment of any tax required to be collected under this Act, or in relation to any process connected with such assessment, re-assessment, collection or enforcement of payment as if the tax under this Act were a tax under the General Sales Tax Act.

**11. Exemption.** Subject to such conditions as it may impose, the Government may, if it is necessary so to do in the public interest, by notification, exempt any specified class of importers from payment of the whole or part of the tax payable under this Act.

**12. Protection of action taken in good faith.** (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the Government for any action taken or purporting to be taken under this Act without the previous sanction of the Government, and no such suit, prosecution or other proceeding shall be instituted after the expiry of six months from the date of the action complained of.

(2) No officer or servant of the Government shall be liable in respect of any such action in any civil or criminal proceeding, if the action was taken in good faith in the course of the execution of duties imposed on him or the discharge of functions entrusted to him by or under this Act.

**13. Power to difficulties.** If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the Tamil Nadu Government Gazette, make such provisions, not inconsistent with the provisions of this Act as appear to them to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

**14. Power to make rules.** (1) The Government may, by notification, make rules to carryout the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for the following matters, namely:--

(a) the duties and powers of officers appointed for the purpose of enforcing the provisions of this Act;

(b) all matters expressly required or allowed by this Act to be prescribed:

(c) generally regulating the procedure to be followed and the forms to be adopted in the proceedings under this Act;

(d) any other matter including levy of fees for which there is no specific prevision in this act, and for which provision is, in the opinion of the Government, necessary for giving effect to the purposes of this Act; and

(e) the procedure for any other matter incidental to the disposal of appeal and the value of court fee stamp which a memorandum of appeal, or revision should bear.

(3) All rules made or notifications issued under this Act shall be published in the Tamil Nadu Government 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.

(4) Every rule made or notification issued under this Act shall, as soon as possible, after it is made or issued, be placed on the table of the Legislative Assembly, and if, before the expiry of the session in which it is so placed or the next session, the Assembly makes any modification in any such rule or notification or the Assembly decides that the rule or notification should not be made or issued, the rule or notification 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.

**15. Power to amend Schedule.** (1) The Government may, by notification, amend the Schedule.

(2) Where a notification has been issued under sub-section (1), there shall, unless the notification is in the meantime rescinded, be introduced in the Legislative Assembly, as soon as may be, but in any case during the next session of the Legislative Assembly following the date of the issue of the notification, a Bill on behalf of the Government, to give effect to the amendment specified in the notification, and the notification shall cease to have effect when such Bill becomes law, whether with or without modifications, but without prejudice to the validity of anything previously done thereunder:

Provided that if the notification under sub-section (1) is issued when the Legislative Assembly is in session, such a Bill shall be introduced in the Legislative Assembly during that session:

Provided further that where for any reason a Bill a? aforesaid does not become law within six months from the date of its introduction in the Legislative Assembly, the notification shall cease to have effect on the expiration of the said period of six months.

(3) All references made in this Act to the Schedule shall be considered as relating to the Schedule as for the time being amended in exercise of the powers conferred by this section.

## **THE SCHEDULE**

## SCHEDULED GOODS

[See section 2 (j)]

Serial Number. (1)	Description of goods. (2)
1	Refrigerators
2	Air-conditioners
<sup>1</sup> [3	High Speed diesel oil and light diesel oil.
4	Furnace Oil.
5	Low Sulphur Heavy Stock (LSHS).
<sup>2</sup> [6	Aluminium.]
7	Asbestos, cement sheets.
8	Atta. Maida. Sooji, Rava and Wheat flour.
9	Bitumen.
10	Ceramic sanitary wares and sanitary fittings of every description.
<sup>3</sup> [11	Parts and accessories including compressors of window and non-ducted split air conditioners and domestic refrigerators.]
12	HDPE granules and PVC resins.
13	HDPE/PP woven fabrics.
<sup>4</sup> [14	Steel rods and steel semis (ingots, slabs, blooms and billets of all qualities, shapes and sizes)].
15	(i) Lubricating oil: (ii) Grease: and (iii) Lube base oil.
16	(i) Marbles and marble tiles: (ii) Granite blocks and slabs: and (iii) Ceramic tiles, glazed floor, roofing and wall tiles
<sup>8</sup> [17	Petrol with or without additives]
18	Newsprint.
19	Paper and paper boards excluding coated paper, tissue paper. MICR, <sup>5</sup> [[electrical grade paper, glassine

	paper, file boards, coated boards, duplex boards, straw boards, kraft paper, cellophane paper, poster paper and surface sized maplitho paper.]]
20	(i) Potassium Chlorate: (ii) Linear Alkyl Benzene (LAB): (iii) Soda Ash: (iv) Caustic soda: and (v) Chlorine.
21	PVC pipes, tubes and fittings.
22	Tobacco and tobacco products including cigarettes, cigarillos, cigar, cheroots, mixtures of tobacco for pipes, cut-tobacco, hookah tobacco, snuff of tobacco and chewing tobacco excluding beedies.]
<sup>6</sup> [23	HDPE and PP woven sacks.]
<sup>7</sup> [24	Low Density Polyethylene and Polypropylene in all forms including granules, tapes and wastes.
25	Washing machines]
<sup>9</sup> [26	Ethanol that is anhydrous ethyl alcohol]

1 Added by s.2 (a) of TNA 16 of 2002 (w.e.f.01.12.2001).

2 Substituted by s.2 (b) of TNA 16 of 2002 (w.e.f.27.03.2002).

3 Substituted by s.2 (a) of TNA 51 of 2002 (w.e.f.01.07.2002).

4 Substituted by s.2 (b) of TNA 51 of 2002 (w.e.f.01.07.2002).

5 Substituted by s.2 (c) of TNA 51 of 2002 (w.e.f.01.07.2002).

6 Added by s.2 (d) of TNA 51 of 2002 (w.e.f.01.07.2002).

7 Added by s.2 of TNA 22 of 2003 (w.e.f. 21.03.2003).

8 Substituted by s.2 (1) of TNA 5 of 2004 (w.e.f. 01.10.2003)

9 Added by s.2 (2) of TNA 5 of 2004 (w.e.f. 01.10.2003)

(By order of the Governor)

M.BAULIAH,

Secretary to Government,

Law Department.

தமிழ்நாடு அரசு  
Government of Tamil Nadu  
சட்டத்துறை | Law Department