

STATEMENT OF OBJECTS AND REASONS

In sections 3-D and 3-E of the Tamil Nadu General Sales Tax Act, 1959 (Tamil Nadu Act 1 of 1959), as amended by the Tamil Nadu General Sales Tax (Sixth Amendment) Act, 1999 (Tamil Nadu Act 28 of 1999), the compounded rate of tax available to dealers in food and drinks and jewellery was made optional and the dealers were directed to exercise their option for the financial year commencing on the 1st April 1999, on or before the 30th June 1999. Similarly, section 7-C of the said Tamil Nadu Act 1 of 1959, as amended by the Tamil Nadu General Sales Tax (Amendment) Act, 1999 (Tamil Nadu Act 36 of 1999), option for payment of tax at compounded rate was extended to all works contractors and the works contractors other than civil works contractors were directed to exercise their option for the financial year commencing on the 1st April 1999, on or before the 30th June 1999. As the aforesaid amendment Acts were published in the *Tamil Nadu Government Gazette* on the 17th June 1999 and the 21st June 1999 respectively, it was felt that there was no sufficient time for the dealers to exercise their option on or before the 30th June 1999.

2. The Government, therefore, decided to extend the time limit to exercise the option from the 30th June 1999 to the 31st January 2000. Sections 3-D, 3-E and 7-C of the said Tamil Nadu Act 1 of 1959 were amended for the purpose by the Tamil Nadu General Sales Tax (Amendment) Ordinance, 2000 (Tamil Nadu Ordinance 1 of 2000).

3. The Bill seeks to replace the said Ordinance.

M. KARUNANIDHI,

Chief Minister.

V. RAJARAMAN,

Secretary.