

PART II

VAT Receipts Review—In the first year of introduction of VAT in 2005-06 growth rate was negative at -8.5%.

With the 2004-05 as a base year, CAGR of 10.5 per cent for 3 years.

At reduced base of 2005-06, CAGR of next two years is 21.43 per cent.

CST Rate Reduction—Rate to be reduced from 3 per cent to 2 per cent w.e.f. 1.4.2008.

Goods and Service Tax—The new taxation System will be introduced by April 2010.

Pending Assessments under BST Act.—Sales Tax Department to tackle old pendency of assessments.

Electronic returns—Electronic returns through Internet. Initially for large tax payers, gradually covering all the dealers.

Survey Amnesty Scheme under BST Act for unregistered resellers detected during survey. Details to be announced by Commissioner.

Reduction in relevant Set-off rules On par with CST rates.

Tax rate on Foodgrains, Cereals Pulses, turmeric, chillies, tea etc. Existing tax exemptions and concessions to continue up to 31st March 2010.

ATF for Aircrafts. Tax rate reduced from 25 per cent to 4 per cent when supplied to Aircrafts outside Mumbai & Pune for promotion of aviation in developing regions of the State.

Tax rate on timber Reduced to 4 per cent for one year.

Construction Works Contracts—Not to include cost of land.

Entry Tax For Air conditioners and tiles entry tax made applicable.

Passenger Tax A/c Coach Passenger Services of MSRTC to attract tax @ 5.5 per cent. For private carriers new rates per year, per seat, are

A/c Sleeper Coach—Rs.7000/-

A/c Buses—Rs.6500/-

Non A/c Buses with AIPP—Rs.5500/-

(*All India Passenger Permit)

Stamp Duty on Development Agreement, Power of Attorney

For Rural Areas -3 per cent,

For "C" class Municipalities - 4 per cent,

For other parts of the State - 5 per cent

However,

Power of Attorney without consideration to a close relative for transfer of property to attract a stamp duty of Rs.500.

Refund for Spoilt Stamps—With 10 per cent deduction.

Mortgage deeds for Crop loan—Stamp Duty fully exempted without any limit. Loss of revenue estimated at rupees 80 crore.

Period of Adjustment for Stamp Duty credit—Adjustment period reduced from three years to one year to curb speculation.

Tax on Vacant Land—A Bill to levy tax on vacant land to be introduced.

e-Payment Gateway System—Tax payments through e-Payment Gateway via Internet. Facility to be introduced this year.