

L.A. Bill No. XXXIX of 2007

A BILL

further to amended the Maharashtra Value Added Tax Act, 2002.

(As Passed by the legislative Assembly on the 17th July 2007)

WHEREAS both Houses of the State Legislature were not in session:

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Value Added Tax Act, 2002, for the purposes hereinafter appearing; and therefore, promulgated the Maharashtra Value Added Tax (Amendment) Ordinance, 2007, on the 30th June 2007;

Mah. IX of 2005.
Mah. Ord. V of 2007.

AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Fifty-eighth Year of the Republic of India as follows :—

1. (1) This Act may be called the Maharashtra Value Added Tax (Amendment) Act, 2007.

Short title and commencement.

(2) It shall be deemed to have come into force on the 1st July 2007.

2. In section 2 of the Maharashtra Value Added Tax Act, 2002 (hereinafter referred to as "the principal Act"), -

Mah. IX of 2005.

Amendment of section 2 of Mah. IX of 2005.

(a) in clause (20) *Explanation* IV shall be deleted ;

(b) in clause (25) *Explanation* IV shall be deleted ;

3. (1) The Maharashtra Value Added Tax (Amendment) Ordinance, 2007 is hereby repealed.

Mah. Ord. V of 2007.

Repeal of Mah. Ord. V of 2007 and saving.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the principal Act, as amended by the said Ordinance, shall be deemed to have done, taken or issued, as the case may be, under the principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

Clauses (20) and (25) of section 2 of the Maharashtra Value Added Tax Act 2002 (Mah. IX of 2005) define the terms "purchase price" and "sale price" As provided in the said clauses, "purchase price" or "sale price" means the amount of valuable consideration paid or payable by a person for any purchase of goods, or as the case may be, the amount of valuable consideration paid or payable to a dealer for any sale of goods. As provided by *Explanation IV* to clauses (20) and (25) of section 2 of the Maharashtra Value Added Tax Act, 2002, the amount of valuable consideration paid or payable for the purchase or sale of drugs was the maximum retail price printed on the package containing the drugs.

2. The price of medicines is governed by the Drugs (Price Control) Order, 1995 issued under the Essential Commodities Act, 1955 (10 of 1955). The Government of India has amended the said Order to provide that the maximum retail price of medicines shall be inclusive of all local taxes. In view of the amendment made by the Government of India to the Drugs (Price Control) Order, 1995, it was necessary to amend the definitions of "sale price" and "purchase price" obtaining in clauses (20) and (25) of section 2 of the Maharashtra Value Added Tax Act, 2002, in so far as they relate to medicine, by deleting *Explanation IV* to clauses (20) and (25) of section 2 of the said Act.

3. As both Houses of the State Legislature were not in session and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Value Added Tax Act, 2002, for the purposes aforesaid, the Maharashtra Value Added Tax (Amendment) Ordinance, 2007 (Mah. Ord. V. of 2007), was promulgated by the Governor of Maharashtra on the 30th June 2007.

4. The Bill is intended to replace the said Ordinance by an Act of the State Legislature.

Mumbai
Dated the 12th July 2007.

JAYANT PATIL,
Minister for Finance.

GOVERNOR'S RECOMMENDATION UNDER ARTICLE 207 OF THE CONSTITUTION OF INDIA.

(Copy of Government of Maharashtra Order, Law and Judiciary Department).

In exercise of the powers conferred upon him by clause (1) of Article 207 of the Constitution of India, the Governor of Maharashtra is pleased to recommend to the Maharashtra Legislative Assembly, the consideration of the Maharashtra Value Added Tax (Amendment) Bill, 2007.

ANNEXURE TO L.A. BILL No. XXXIX of 2007
THE MAHARASHTRA VALUE ADDED TAX (AMENDMENT)
BILL, 2007.
(Extracts from the Maharashtra Value Added Tax Act, 2002)
(Mah. IX of 2005)

1. * * * *

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

(1) to (19) * * * *

(20) "purchase price" means the amount of valuable consideration paid or payable by a person for any purchase made including any sum charged for anything done by the seller in respect of the goods at the time of or before delivery thereof, other than the cost of insurance for transit or of installation, when such cost is separately charged;

Explanation I, II and III * * *

Explanation IV. – The amount of valuable consideration paid or payable by a dealer for the purchase of drugs specified in entry 29 of Schedule C shall be the maximum retail price printed on the package containing the drugs:

(21) to (24) * * * *

(25) "sale price" means the amount of valuable consideration paid or payable to a dealer for any sale made including any sum charged for anything done by the seller in respect of the goods at the time of or delivery thereof, other than the cost of insurance for transit or of installation, when such cost is separately charged;

Explanation, I, II and III * * *

Explanation IV. – The amount of valuable consideration paid or payable to a dealer for the sale of drugs specified in entry 29 in Schedule C shall be the maximum retail price printed on the package containing the drugs;

(26) to (35) * * * *

3. to 98. * * * *

SCHEDULES * * * *

Maharashtra Legislature Secretariat.

[L.A. Bill No. XXXIX of 2007.]

[A Bill further to amend the Maharashtra Value Added Tax Act, 2002.]

[Shri Jayant Patil, Finance Minister.]

Anant Kalse, Principal Secretary,
Maharashtra Legislative Assembly.

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