GOA

The Sales Tax was introduced in the former union territory of Goa, Daman and Diu (now the state of Goa), from 1.11.1964, which is an extension of the Bengal Sales Tax Act, as applicable to the Union Territory of Delhi. This Act is now called the Goa Sales Tax Act 1989 and the levy of sales tax is governed by Goa sales Tax Act 1989 and the CST Act, 1956.

1. Structure

Every dealer whose gross turnover during the year exceeded the taxable quantum is liable to pay taxes on all sales effected.

The dealers are classified into three categories i.e. (i) Importer or/and manufacturer (ii) non-resident dealers and casual dealers and (iii) any other dealer.

In the case of (i) the taxable quantum is Rs.10,000 if the goods imported/manufactured are worth Rs.1,500 and above during the year; if the income is less than Rs.1,500 the taxable quantum is Rs.20,000. In the case of (ii) the taxable quantum is Rs.1,500 and in that of (iii) it is Rs.50,000. For contractors it is Rs.10,000 or Rs.20,000 and Rs.50,000 as the case may be and depending upon the quantum of purchases.

Point of Levy: Sales tax in Goa is a single point levy confined as a general rule to the last stage of sale. However, the state government has power to authorise by the issue of notification, the levy of tax in any goods at the point of first sale.

Some goods like luxury goods are taxable at the first point of sale.

Rate Structure: There are in all 28 schedules appended to the Act out of which second schedule deals with items which are generally exempt from tax. The sixth schedule is in respect of sales of cooked food and non-alcoholic drinks served/sold in hotel, establishments, restaurants etc. The seventh schedule gives ceiling rate of right to use goods for various items enumerated therein. The other schedules indicate various rates starting from 5 per cent to 25 per cent. Against some of the schedules (schedule XV, XVII, XVIII, XIX, XXI, XXII, XXIII, XXIV, XXV, XXVI, XXVII and XXVIII) no items are specified so far. The items that are not covered by any of the 28 schedules are taxable under residuary entry at the rate of 7 per cent. The rates applicable on goods under schedules I, III, IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV and XIV are I, II, IV, XXV, XVII, for I to V and I/II, I, III, V, VI, VIII and X from schudules VI to XV.

Additional Tax: If the gross turnover of sale of any dealer exceeds Rs.20 lakh, additional tax at the rate of 10 per cent. On the sales tax payable by such dealer is levied.

Works Contract and Leasing:

a. Every dealer is liable to pay tax on his taxable turnover of transfer of property in goods which have not suffered tax at any point of sale in Goa (whether as goods or in some other form) involved in the execution of works contract at the rate specified in various schedules.

b. Every dealer is liable to pay a tax on his taxable turnover in respect of the transfer of the right to use any goods at the rate mentioned in Schedule VII i.e. 3 per cent.

Exemptions: Schedule II specifies tax exempted goods and these include goods of mass consumption such as cereals, pulses, bread, meat, fresh fruits, vegetables, fuel, wood, charcoal, fertilizers etc. There are some conditionally exempted goods also.

Incentives to Industries: There is a new scheme called 'Sales tax deferment-cum-interest free sales tax loan scheme' for the new Industries replacing the earlier scheme 'Interest free sales tax loan scheme'. The Industrial units registered with the Directorate of Industries and Mines as a SSI and registered under the Sales Tax Act are exempted from the payment of ST for 15 years. However, for new industrial units which are set-up on or after 1.10.1991, exemption benefit is upto 15 years for SSI and 12 years for large/medium Industries or upto the reaching of tax liability amount equal to the capital cost of the industry invested in land, building and machinery only, whichever is later.

Treatment of Inputs: Purchases of inputs viz. raw materials and packing materials can be made locally, free of tax against prescribed form by a registered dealer for use by him within Goa. However, this facility is not available in respect of machinery. tools and equipments and in respect of goods taxable at first point.

2. Registration

In addition to compulsory registration granted under section 11 of the Act on account of liability under section 4 of the Act, which is a statutory obligation, there are provisions for (i) voluntary registration granted to the dealer who may not be liable to pay tax under Section 4 of the Act (ii) provisional registration - granted exclusively to manufacturing units on obtaining security (which is forfeited by the Commissioner, if he finds good and sufficient cause for realising any amount of tax or penalty payable by the dealer or if the dealer is found to have misused the statutory forms) and (iii) special registration granted to the dealers who register after cancellation of their earlier registration certificate. when they become liable again.

3. Assessment

Returns: Every dealer is required to furnish quarterly returns of his sales turnover within thirty days from the end of the quarter. However. payment of tax should be done every month within 30 days from the expiry of each month.

Mode of Assessment: Assessments are completed on an annual basis generally and for a part of the year, if the circumstances demand. When a dealer fails to furnish any return relating to any period of any year within the stipulated time, the Commissioner may assess the tax due from such a dealer separately for different parts of such year. The limitation period for assessment of registered dealer is 4 years while that for unregistered dealer is 6 years. The Commissioner has powers to reassess the tax if he has reasons to believe from the assessment order made that the dealer has concealed or furnished incorrect particulars, within 8 years and in other cases within 5 years from the period to which the assessment relates.

4. Penalty

If a dealer has concealed any particulars of sales, he is liable for penalty not exceeding one and half times the tax. Besides the Act provides for imposition of fine or a simple imprisonment for six months on any person who contravenes or fails to comply with the provisions of the Act and rules.

If the dealer fails to furnish returns and pay tax in time, he is liable to a penalty not exceeding are one and a half times the amount of tax assessed.

Compounding of offences - The Commissioner may compound the offence with a compounding fee of Rs.5,000 at double the amount of the tax that would have been payable depending on the types of offences committed.

5. Administrative Organisation

The Department is headed by the Commissioner of sales tax assisted by Assistant Commissioners, Sales Tax Officers and Assistant Sales Tax Officers.

For the purpose of administration Goa is divided under 7 wards which are headed by Assistant Sales Tax Officers who are assisted by Sales Tax Inspectors.

6. Appeals

Appeal against the order of the assessing authority lies to the Assistant Commissioner of Sales Taxes. Second appeal lies before the Tribunal or revision application to the Commissioner of Sales Tax.

There is no separate intelligence cell established for detection of tax evasion. The assessing authorities themselves carry out these duties whenever the need arises.

7. Revision

The Commissioner of Sales Tax can on his own call for and revise suo moto, any assessment made or order passed under the Act.