GOA

Sales tax was introduced in Goa, Daman and Diu from 1st November 1964; it is an extension of Delhi Sales Tax Act and applies to Goa, Daman and Diu. Some major changes were introduced in the Act in 1974. This Act is amended with effect from 1.7.1989 and is 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 able to pay taxes on all sales effected.

The liability to pay tax accrues under section 4 of the Act which is the charging section. The first part of the charging section applies to the dealers in existence on the date of enforcement of the Act, i.e., 1.11.1964.

The second part is for other dealers who are classified into three categories, i.e., (i) Importer or/and manufacturer (ii) Non-resident dealer or casual trader (iii) any other dealer.

In the case of (i) the taxable quantum applicable is Rs.10,000 if the goods imported or manufactured are worth Rs.1,500 and above during the year and if the same are 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.

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 on any goods at the point of first sale.

Rate Structure: The rates vary from 4 per cent to 12 per cent. The goods enumerated in Schedule I are taxable at the rate of 12 per cent and those covered under Schedules III, IV and V are taxable at the rate of 4, 25 and 17 per cent respectively. All other goods which do not fall under these schedules except gold and silver ornaments and those goods on which tax is exempted or reduced by the Government are taxable at the rate of 7 per cent. Schedule VI gives the rates of tax on food and non-alcoholic drinks. With regard to goods enumerated in Schedule VII (transfer of right to use goods) rate applicable is as specified in the schedule i.e. 3 per cent.

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.

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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.

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.