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Taxation Laws (Amendment) Act, 2003

Section 9 - Amendment of Section 206c

In section 206C of the Income-tax Act,--

(a) in sub-section (1),--

(i) for the Table, the following Table shall be substituted, namely:--

Sl. No.	Nature of goods	Percentage
(1)	(2)	(3)
(i)	Alcoholic liquor for human consumption	One per cent.
(ii)	Tendu leaves	Five per cent.
(iii)	Timber obtained under a forest lease	Two and one-half per cent.
(iv)	Timber obtained by any mode other than	Two and one-half per cent.
	under a forest lease	
(v)	Any other forest produce not being timber	Two and one-half per cent.
	or tendu leaves	
(vi)	Scrap	One per cent. : ";

(ii) for the proviso below the Table, the following proviso shall be substituted, namely:--

"Provided that every person, being a seller shall at the time, during the period beginning on the 1st day of June, 2003 and ending on the day immediately preceding the date on which the Taxation Laws (Amendment) Act, 2003 comes into force, of debiting of the amount payable by the buyer to the account of the buyer or of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer of any goods of the nature specified in column (2) of the Table as it stood immediately before the 1st day of June, 2003, a sum equal to the percentage, specified in the corresponding entry in column (3) of the said Table, of such amount as income-tax in accordance with the provisions of this section as they stood immediately before the 1st day of June, 2003.";

(b) after sub-section (1), the following sub-sections shall be inserted, namely:--

"(1A) Notwithstanding anything contained in sub-section (1), no collection of tax shall be made in the case of a buyer, who is resident in India, if such buyer furnishes to the person responsible for collecting tax, a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the goods referred to in column (2) of the aforesaid Table are to be utilised for the purposes of manufacturing, processing or producing articles or things and not for trading purposes.

(1B) The person responsible for collecting tax under this section shall deliver or cause to be delivered to the Chief Commissioner or Commissioner one copy of the declaration referred to in sub-section (1A) on or before the seventh day of the month next following the month in

which the declaration is furnished to him.";

(c) in sub-section (3), for the words "seven days", the words "the prescribed time" shall be substituted;

(d) in sub-section (5), for the words "ten days from the date of debit", the words "such period as may be prescribed from the time of debit" shall be substituted;

(e) in sub-section (7), for the words "one and one-fourth per cent.", the words "one per cent." shall be substituted;

(f) in the Explanation occurring at the end, in clause (a), for sub-clauses (i) and (ii), the following sub-clauses shall be substituted, namely:--

"(i) a public sector company, the Central Government, a State Government, and an embassy, a high commission, legation, commission, consulate and the trade representation, of a foreign State and a club; or

(ii) a buyer in the retail sale of such goods purchased by him for personal consumption;".

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