

Finance Act, 2002

Section 152 - Amendment of Section 8

In section 8 of the Central Sales Tax Act,-

(i) in sub-section (1), after the words "four per cent, of his turnover", the words "or at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State, which ever is lower" shall be inserted;

(ii) in sub-section (2),-

(a) in clause (a), the word "and" shall be omitted;

(b) in clause (6), for the words "whichever is higher,", the words "whichever is higher; and" shall be substituted;

(c) for the portion beginning with the words "and for the purpose of and ending with the words "liable under that law", the following shall be substituted, namely:-

"(c) in the case of goods, the sale or, as the case may be, the purchase of which is, under the sales tax law of the appropriate State, exempt from tax generally shall be nil,

and for the purpose of making any such calculation under clause (a) or clause (b), any such dealer shall be deemed to be a dealer liable to pay tax under the sales tax law of the appropriate State, notwithstanding that he, in fact, may not be so liable under that law.

Explanation.-- For the purposes of this sub-section, a sale or purchase of any goods shall not be deemed to be exempt from tax generally under, the sales tax law of the appropriate State if under that law the sale or purchase of such goods is exempt only in specified circumstances or under specified conditions or the tax is levied on the sale or purchase of such goods at specified stages or otherwise than with reference to the turnover of the goods.";

(iii) sub-section (2A) shall be omitted;

(iv) in sub-section (3), in clause (b), after the words "for sale or", the words "in the telecommunications network or" shall be inserted;

(v) in sub-section (5),-

(a) in the opening paragraph, after the words "State Government may,", the words, brackets and figure "on the fulfilment of the requirements laid down in sub-section (4) by the dealer," shall be inserted;

(b) in clause (a), after the words "inter-State trade or commerce,", the words "to a registered dealer or the Government" shall be inserted;

(c) in clause (b), after the words "inter-State trade or commerce,", the words "to a registered dealer or the Government" shall be inserted.

(vi) after sub-section (5), the following sub-sections shall be inserted, namely:--

(6) Notwithstanding anything contained in this section, no tax under this Act shall be payable by any dealer in respect of sale of any goods made by such dealer, in the course of inter-State trade or commerce to a registered dealer for the purpose of manufacture, production, processing, assembling, repairing, reconditioning, re-engineering, packaging or for use as trading or packing material or packing accessories in an unit located in any special economic zone, if such registered dealer has been authorised to establish such unit by the authority specified by the Central Government in this behalf.

(7) The goods referred to in sub-section (6) shall be the goods of such class or classes of goods as specified in the certificate of registration of the registered dealer referred to in that sub-section.

(8) The provisions of sub-sections (6) and (7) shall not apply to any sale of goods made in the course of inter-State trade or commerce unless the dealer selling such goods furnishes to the authority referred to in sub-section (6) a declaration in the prescribed manner on the prescribed form obtained from the authority referred to in sub-section (S), duly filled in and signed by the registered dealer to whom such goods are sold.

Explanation.--For the purposes of sub-section (6), the expression "special economic zone" has the meaning assigned to it in clause (iii) to Explanation 2 to the proviso to section 3 of the Central Excise Act, 1944 (1 of 1944).

