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Finance Act, 2010

Chapter VI - Central Sales Tax

In the Central Sales Tax Act, 1956(74 of 1956) (hereinafter referred to as the Central Sales Tax Act), in section 6A,--

(a) in sub-section (2), for the portion beginning with the words "are true, he may" and ending with the words "declaration relates shall", the words "are true and that no inter-State sale has been effected, he may, at the time of, or at any time before, the assessment of the tax payable by the dealer under this Act, make an order to that effect and thereupon the movement of goods to which the declaration relates shall, subject to the provisions of sub-section (3)," shall be substituted;

(b) after sub-section (2), the following sub-section shall be inserted, namely:--

"(3) Nothing contained in sub-section (2) shall preclude reassessment by the assessing authority on the ground of discovery of new facts or revision by a higher authority on the ground that the findings of the assessing authority are contrary to law, and such reassessment or revision may be done in accordance with the provisions of general sales tax law of the State.".

Section 79 - Insertion of new Chapter VA

After Chapter V of the Central Sales Tax Act, the following Chapter shall be inserted, namely:--

'CHAPTER VA

Appeals to the highest appellate authority of the State

18A. Appeals to highest appellate authority of State.--

(1) Notwithstanding anything contained in a State Act, any person aggrieved by an order made by the assessing authority under sub-section (2) of section 6A, or an order made under the provisions of sub-section (5) of that section, may, notwithstanding anything contained in the general sales tax law of the appropriate State, prefer an appeal to the highest appellate authority of the State against such order:

Provided that any incidental issues including the rate of tax, computation of assessable turnover and penalty may be raised in such appeal.

(2) An appeal under sub-section (1) shall be filed within sixty days from the date on which the order referred to in that sub-section is communicated to the aggrieved person:

Provided that any appeal forwarded by the highest appellate authority of a State to the first appellate authority under the proviso to sub-section (2) of section 25 and pending before such authority immediately before the appointed day shall be transferred, on such appointed day, to the highest appellate authority of the State and the same shall be treated as an appeal filed under sub-section (1) and dealt with accordingly.

Explanation.--For the purposes of this sub-section, "appointed day" means such date as the Central Government may, by notification in the Official Gazette, appoint.

(3) The highest appellate authority of a State may, after giving both the parties an opportunity of being heard, pass appropriate order.

(4) The highest appellate authority of the State may, as far as practicable, hear and decide such appeal within a period of six months from the date of filing of the appeal.

(5) Notwithstanding anything contained in a State Act, the highest appellate authority of a State may, on the application of the appellant and after considering relevant facts, including the deposit of any amount towards local or central sales tax in other States on the same goods, pass an order of stay subject to such terms and conditions as it thinks fit, and such order may, inter alia, indicate the portion of tax as assessed, to be deposited prior to admission of the appeal.

Explanation.---For the purposes of this section and sections 20, 21, 22 and 25, "highest appellate authority of a State", with its grammatical variations, means any authority or tribunal or court, except the High Court, established or constituted under the general sales tax law of a State, by whatever name called.'.

Section 80 - Amendment of section 20

In section 20 of the Central Sales Tax Act, for sub-section (1) and the Explanation thereunder, the following sub-section shall be substituted, namely:--

"(1) An appeal shall lie to the Authority against any order passed by the highest appellate authority of a State under this Act determining issues relating to stock transfers or consignments of goods, in so far as they involve a dispute of inter-State nature.".

Section 81 - Amendment of section 22

In section 22 of the Central Sales Tax Act,--

(a) for the word "pre-deposit", wherever it occurs, the word "deposit" shall be substituted;

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

"(1B) The Authority may issue direction for refund of tax collected by a State which has been held by the Authority to be not due to that State, or alternatively, direct that State to transfer the refundable amount to the State to which central sales tax is due on the same transaction:

Provided that the amount of tax directed to be refunded by a State shall not exceed the amount of central sales tax payable by the appellant on the same transaction.".

Section 82 - Amendment of section 25

In section 25 of the Central Sales Tax Act, the proviso to sub-section (2) shall be omitted.

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