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GOVERNMENT OF ARUNACHAL PRADESH
OFFICE OF THE COMMISSIONER: TAX & EXCISE
ITANAGAR

NO.TAX-105/2005

Dated Itanagar, the 19th April/2005.

C I R C U L A R N O . V A T - 0 3

With VAT coming into force w.e.f. 1st April'2005, there is a liability to pay Entry Tax on all goods being imported into Arunachal Pradesh, whether by Private Individual, Government Bodies, Military and Para Military establishments, Registered and Unregistered businessmen, Autonomous Bodies, etc.

The liability to pay of Entry Tax is on the importer. However, the Entry Tax will not be levied in certain cases, prescribed in VIII schedule of the Arunachal Pradesh Goods Tax Act 2005.

All Government Departments should therefore take following precautions while making their procurements:-

1. If Goods are procured from a local Arunachal Dealer, the dealer should charge VAT in the invoice raised.
2. Similarly, all Works Contractors (Local Arunachal) should also charge VAT on the invoice raised by them.
3. In case, Goods are procured from a supplier, who is based outside Arunachal Pradesh, the procuring department is liable to pay Entry Tax, at the rate equal to VAT rate. The department procuring has two options :-
 - a) The department can separately pay the Entry Tax due, before receiving the goods from the supplier in the Govt. Treasury ; or
 - b) The department can ask the supplier to pay the Entry Tax on the department's behalf before dispatching the goods and charge the Entry Tax on the invoice raised.

4. It may be noted that Entry Tax would be due, whether or not CST or Assam Sales Tax or Assam VAT has been levied on such Goods, imported from outside Arunachal Pradesh.

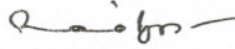
5. All Govt. Departments while evaluating the Tenders and make Comparative Statement of bids, should take into account the VAT or Entry Tax due. Vat has been so designed so an outside Arunachal Supplier does not get any tax

6

advantage on prices quoted. The Entry Tax due should be added on the price quoted (if not already included) by the (outside Arunachal) bidder while considering the bid. On the other hand local Arunachal Dealer would charge VAT on the supplies made, which should also be taken into account.

6. It may be noted that Local Arunachal Supplier would only charge Arunachal VAT and not Entry Tax. When making purchases from local dealers, there is no requirement for the purchaser to pay Entry Tax. The Departments are only expected to ensure that the supplier is a registered dealer in Arunachal, and he has charged VAT from you in the invoice raised.

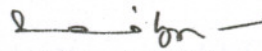
7. There is no system of Tax Deduction at Source in VAT system. The Govt. Departments should therefore discontinue the earlier practice of TDS (Tax Deduction at Source), on purchases made subsequent to 01-04-2005.


(Manish Gupta) IAS
Commissioner & Secretary
Tax and Excise
Govt. of Arunachal Pradesh
Itanagar

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1. All Deputy Commissioners /All Superintendent of Tax & Excise of the district.
2. All Secretaries/Commissioners Govt. of Arunachal Pradesh.
3. All Directors/Head of Offices/DGP Govt. of Arunachal Pradesh
4. The Chief Engineer-Hydro Power Development, Power(Electrical), PWD,RWD,IFCD Govt. of Arunachal Pradesh.
5. Autonomous Institutions like NHPC, NEEPCO, HUDCO, PGSI, AP Polytechnic etc
6. Registrar of Co-operative Society for circulation to All Societies.
7. Officer Commanding, Military & Paramilitary Establishments.
8. Office copy.


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