No. 377/XXXVI(3)/2020/61(1)/2020
Dated Dehradun, October 21, 2020

NOTIFICATION

Miscellaneous

In pursuance of the provisions of Clause (3) of Article 348 of the Constitution of India, the Governor is pleased to order the publication of the following English translation of **'The Uttarakhand Goods and Services Tax (Amendment) Act, 2020' (Act No. 25 of 2020)**.

As passed by the Uttarakhand Legislative Assembly and assented to by the Governor on 16 October, 2020.

THE UTTARAKHAND GOODS AND SERVICES TAX (AMENDMENT) ACT, 2020

(Uttarakhand Act No. 25 of 2020)

AN

ACT

Further to amend the Uttarakhand Goods and Services Tax Act, 2017 (Act No. 06 of 2017)-

Be it enacted by the Uttarakhand State Legislative Assembly in the Seventy-first Year of the Republic of India as follows:-

Short title and commencement

1. (1) This Act may be called the Uttarakhand Goods and Services Tax (Amendment) Act, 2020.

(2) Save as otherwise provided in this Act,-

(a) the provisions mentioned in section 2, 12 and 14 shall be deemed to have come into force on the 30^{th} day of June, 2020;

(b) the provisions mentioned in section 11 shall be deemed to have come into force on the 18^{th} day of May, 2020;

(c) the provisions mentioned in section 13 shall be deemed to have come into force on the 31^{st} March, 2020;

(d) the provisions mentioned in section 3 to 10 and section 15 shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of section 2

2. In section 2 of the Uttarakhand Goods and Services Tax Act, 2017 (hereinafter referred to as the "Principal Act"), in clause (*114*), for sub-clauses (*c*) and (*d*), the following sub-clauses shall be substituted, namely:–

"(*c*) Dadra and Nagar Haveli and Daman and Diu;

(*d*) Ladakh;".

Amendment of section 10

3. In section 10 of the "Principal Act", in sub-section (2), in clauses (*b*), (*c*) and (*d*), after the words "of goods", the words "or services" shall be inserted.

Amendment of section 16

4. In section 16 of the "Principal Act", for sub-section (4), the following sub-section shall be substituted; namely-

"(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier".

Amendment of section 29

5. In section 29 of the "Principal Act", in sub-section (1), for clause (c), the following clause shall be substituted ; namely-

"(*c*) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to optout of the registration voluntarily made under sub-section (*3*) of section 25."

Amendment of section 30

6. In section 30 of the "Principal Act", in sub-section (1), for the proviso, the following proviso shall be substituted; namely-

"Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

(*a*) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;

(*b*) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (*a*)."

Amendment of section 31

7. In section 31 of the "Principal Act", in sub-section (2), for the proviso, the following proviso shall be substituted; namely-

"Provided that the Government may, on the recommendations of the Council, by notification,—

(*a*) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;

(*b*) subject to the conditions mentioned therein, specify the categories of services in respect of which—

(*i*) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(*ii*) tax invoice may not be issued."

Amendment of section 51

8. In section 51 of the "Principal Act"-

(a) for sub-section (3), the following sub-section shall be substituted; namely-

"(*3*) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed."

(b) sub-section (*4*) shall be omitted.

Amendment of section 122

9. In section 122 of the "Principal Act", after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) Any person who retains the benefit of a transaction covered under clauses (*i*), (*ii*), (*vii*) or clause (*ix*) of sub-section (*1*) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on."

Amendment of section 132

10. In section 132 of the "Principal Act", in sub-section (1),-

(a) for the words "Whoever commits any of the following offences", the words "Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences'' shall be substituted;

(b) for clause (c), the following clause, shall be substituted; namely-

"(*c*) avails input tax credit using the invoice or bill referred to in clause (*b*) or fraudulently avails input tax credit without any invoice or bill;"

(c) in clause (*e*), the words ", fraudulently avails input tax credit" shall be omitted.

Amendment of section 140 **11.** In section 140 of the "Principal Act",with effect from the 1st day of July, 2017,—

(a) in sub-section (*1*), for the words "shall be entitled to take, in his electronic credit ledger, credit of the amount of Value Added Tax, if any, carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed:", the words "shall be entitled to take, in his electronic credit ledger, credit of the amount of Value Added Tax, if any, carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law within such time and in such manner as may be prescribed:" shall be substituted and shall always be deemed to have been substituted.

(b) in sub-section (*2*), for the words "shall be entitled to take, in his electronic credit ledger, credit of the unavailed input tax credit in respect of capital goods, not carried forward in a return, furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day in such manner as may be prescribed:", the words "shall be entitled to take, in his electronic credit ledger, credit of the unavailed input tax credit in respect of capital goods, not carried forward in a return, furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day within such time and in such manner as may be prescribed:" shall be substituted and shall always be deemed to have been substituted.

(c) in sub-section (*3*), for the words "by whatever name called, or goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State under the existing law but which are liable to tax under this Act or where the person was entitled to the credit of input tax at the time of sale of goods, if any, shall be entitled to take, in his electronic credit ledger, credit of the value added tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions", the words "by whatever name called, or goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State under the existing law but which are liable to tax under this Act or where the person was entitled to the credit of input tax at the time of sale of goods, if any, shall be entitled to take, in his electronic credit ledger, credit of the value added tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to the following conditions" shall be substituted and shall always be deemed to have been substituted.

(d) in sub-section (*5*), for the words "A registered person shall be entitled to take, in his electronic credit ledger, credit of value added tax and, if any, in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law subject to the condition", the words "A registered person shall be entitled to take, in his electronic credit ledger, credit of value added tax, if any, in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law, within such time and in such manner as may be prescribed, subject to the condition" shall be substituted and shall always be deemed to have been substituted.

(e) in sub-section (*6*), for the words "shall be entitled to take, in his electronic credit ledger, credit of value added tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions,", the words "shall be entitled to take, in his electronic credit ledger, credit of value added tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to the following conditions," shall be substituted and shall always be deemed to have been substituted.

Amendment of section 168

12. In section 168 of the "Principal Act", with effect from the 1st day of July, 2017, sub-section (*2*) shall be omitted and shall always be deemed to have been omitted.

Insertion of new section 168A

13. After section 168 of the "Principal Act", the following section shall be inserted, namely:-

168A. (1) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, by

Power of Government to extend time limit in special circumstances

notification, extend the time limit specified in, or prescribed or notified under, this Act in respect of actions which cannot be completed or complied with due to *force majeure*.

(2) The power to issue notification under sub-section (1) shall include the power to give retrospective effect to such notification from such date not earlier than the date of commencement of this Act.

Explanation.— For the purposes of this section, the expression "*force majeure*" means a case of war, epidemic, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature or otherwise affecting the implementation of any of the provisions of this Act.

Amendment of section 172

14. In section 172 of the "Principal Act", in sub-section (1), in the proviso, for the words "three years", the words "five years" shall be substituted.

Amendment to schedule II

15. In schedule II of the "Principal Act", in paragraph 4, with effect from the 1st day of July, 2017,-

(a) in clause (a), the words "whether or not for a consideration," shall be omitted and shall always be deemed to have been omitted.

(b) in clause (b), the words "whether or not for a consideration," shall be omitted and shall always be deemed to have been omitted.

Repeal and Saving

16. (1) The Goods and Services Tax (Amendment) Ordinance, 2020 (Uttarakhand Ordinance No. 1 of 2020) and The Goods and Services Tax (Second Amendment) Ordinance, 2020 (Uttarakhand Ordinance No. 8 of 2020), are hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the corresponding provisions of the said Ordinance, shall be deemed to have been done or taken, under the corresponding provisions of this Act.

By Order,

PREM SINGH KHIMAL,

Secretary.

STATEMENT OF OBJECTS AND REASONS

The Uttarakhand Goods and Services Tax Act, 2017 was enacted with a view to make a provision for levy and collection of tax on intra-State supply of goods or services or both and the matters connected therewith or incidental thereto by the State Government.

2. In view of the spread of pandemic COVID-19 across many countries of the world including India, it has become imperative to relax certain provisions, including extension of time limit, in the Uttarakhand Goods and Services Tax Act, 2017 and in the Goods and Services Tax Law amendments related to trade facilitation, simplification measures and enforcement measures are required. In this context, the amendments related to, delinking of the date of issuances of debit note from the issuances of the invoice for the purposes of availing input tax credit, extending the period provided to file an application for revocation of cancellation of registration, omission of the provision related to the late fee payable in terms of late furnishing of the TDS certificate, making the beneficiary of certain transactions at whose instance such transactions are conducted liable for penalty and punishment, making the offence of fraudulent availment of Input Tax Credit without invoice cognizable and non-bailable and extending the time limit provided for removal of difficulties from three years to five years, are being proposed.

3. For realizing the above objectives amendment in Uttarakhand Goods and Services Tax Act, 2017 is required.

4. The Bill seeks to achieve the above objectives.

Trivenra Singh Rawat
Finance Minister

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