



**COMMERCIAL TAXES AND
REGISTRATION DEPARTMENT**

**DEMAND NO.10
COMMERCIAL TAXES**

**POLICY NOTE
2017-2018**

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**GOVERNMENT OF TAMIL NADU
2017**

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COMMERCIAL TAXES DEPARTMENT

INTRODUCTION

Commercial Taxes Department contributes more than 78 percent of the State's own tax revenue. The Commercial Taxes Department has collected a gross revenue of Rs. 67,576.77 crore during the year 2016-2017. This marks a growth rate of 10.13% over the previous year's collection.

It is to be noted that the impressive growth in tax collection has been achieved, despite the downward trend in the price of petroleum products in the

early part of the year, demonetization of Specified Bank Notes (SBN) in November, 2016 and natural calamities like the Vardah cyclone in December 2016 and severe drought thereafter. The target has been achieved by streamlining the collection mechanism and enhancing the efficiency of the administrative machinery. Even though the tax on petroleum products was slightly raised in March 2017, it may be noted that the tax rate on petrol and diesel in Tamil Nadu is lesser than other Southern States.

2. TRENDS IN REVENUE COLLECTION

Gross Revenue collection by the department under all the Acts in the past five years is as below:

Table: Tamil Nadu - Revenue Collection 2012-13 to 2016-17

Year	Revenue Collection (Rs. in crore)
2012-2013	47,885
2013-2014	56,852
2014-2015	60,314.61
2015-2016	61,709.58
2016-2017	67,576.77

As is evident from the above Table, an additional collection of Rs.5867.19 crores was made over the previous year. This marks a growth of 10.13%. The Chart-1 appended to the Policy Note depicts the trend.

3. ACT-WISE REVENUE OVER THE PAST FIVE YEARS

Act-wise revenue contributions during the last five years are as below:

Table: Tamil Nadu – Act Wise Revenue Collection 2012-13 to 2016-17
(Rs. in crore)

	Act	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
1	Tamil Nadu Value Added Tax	42,038	51,245	53,930.47	54,804.55	59,262.00
2	Central Sales Tax	2,904	3,116	3,811.17	4,037.76	5,125.20
3	Tamil Nadu General Sales Tax	261	218	195.21	211.11	188.65
4	Entertainments Tax	70	68	82.97	106.29	85.81
5	Betting Tax	6	5	5.60	5.65	7.86
6	Luxuries Tax	290	300	319.26	357.03	379.01
7	Entry Tax on Vehicles	2,316	1,900	1,969.93	2,187.19	2,528.24
	Total	47,885	56,852	60,314.61	61,709.58	67,576.77

The Chart-2 appended to the Policy Note depicts the trend.

4. ORGANISATIONAL SET UP

The department carries out its core function of administering various Commercial Tax enactments with the help of a well-structured organizational set-up. Having headquarters at Chennai, the Commissioner of Commercial Taxes, Head of the Department, is assisted by five Additional Commissioners and one Joint Commissioner (Administration). The department has been organized on functional lines and its various responsibilities are carried out by four different wings of the department as described below:-

A. Assessment Wing

There are 334 assessment circles located across the State headed by Assistant Commissioners / Commercial Tax Officers which carry out the core functions of the department such as registration, collection,

return, tax, making assessment etc.. These circles are monitored by 40 Territorial Deputy Commissioners at District /Zonal level and by 10 Joint Commissioners at the Divisional level.

Besides the above assessment circles, top 100 assesseees of Chennai Divisions are assessed by Large Taxpayers Unit(LTU), Chennai, headed by a Joint Commissioner with four Deputy Commissioners. About 55% of total revenue collection is done in this LTU. Another Divisional LTU is functioning in Coimbatore Division headed by a Deputy Commissioner to assess 66 top assesseees of this Division, who contribute about 40% of collection of this Division.

B. Audit Wing

Audit is an inherent part of any tax administration and it is meant to check the correct payment and assessment of taxes, point out errors in assessments, verify the records related to outflow of the Government fund by way of refunds and point out any irregularities or malpractices in tax accounting, among other things.

Each Commercial Tax Division has one internal audit party headed by an Assistant Commissioner assisted by a Commercial Tax Officer. These internal audit parties take up regular audit of the assessment circles and check posts based on the programme drawn by the Joint Commissioners.

i) Accountant General's Audit

Annual audit in the assessment circles, is a periodic exercise by the Accountant General. Besides, the Accountant General does thematic study and performance audit on different activities of the department from time to time. Important audit observations pointed out by the Accountant General are discussed in the joint meetings of the Departmental Audit Committee which are regularly conducted by the Secretary to Government, Commercial Taxes and Registration Department and attended by the Commissioner of Commercial Taxes and the senior officials from the office of the Accountant General.

C. Appellate Wing

i) First Appeal

The first appeal against the orders passed by any assessing officer upto the rank of Assistant Commissioner lies before the Appellate Deputy Commissioner concerned and the appeal against the assessment orders passed by Deputy Commissioner lies before the Appellate Joint Commissioner having jurisdiction. Twenty Appellate Deputy Commissioners and two Appellate Joint Commissioners are functioning in the appellate wing of the department. In case of appeals filed before the appellate authorities, the department is represented in each appellate forum by a Departmental Representative in the cadre of Assistant Commissioner.

ii) Tamil Nadu Sales Tax Appellate Tribunal

Appeal against orders of the First Appellate Authority i.e., Appellate Deputy Commissioners or Appellate Joint Commissioners lies before the Sales Tax Appellate Tribunal (STAT). The Main Bench of STAT is located in Chennai and Additional Benches are located in Chennai, Madurai and Coimbatore. The STAT is headed by the Chairman, in the rank of a District Judge. An officer belonging to Indian Audit and Accounts Service or Income Tax department or Central Excise department or Customs department or Railway Accounts department or Defence Accounts department or a member of the Institute of Chartered Accountants of India or the Institute of Cost and Works Accountants of India is the second member of the Tribunal. A Departmental member in the cadre of an Additional Commissioner is also appointed as a member of the Main Bench.

Each Additional Bench of the STAT is constituted by a Judicial Member in the rank of a Subordinate Judge and an Additional Departmental Member in the cadre of a Joint Commissioner. A State Representative in the cadre of a Joint Commissioner and an Additional State Representative in the cadre of a Deputy Commissioner represent cases of the department before the Main Bench and the Additional Benches, respectively.

iii) Tax cases in High Court and Supreme Court

Additional Government Pleader (Taxes), assisted by Government Advocate appears on behalf of the department in tax cases relating to the department in the High Court of Madras and Madurai Bench of Madras High Court. They also defend the writ petitions filed against the department. The Tamil Nadu Government Advocate-on-Record assist the department in conducting the cases in the Supreme Court of India.

D. Enforcement Wing

i) Field Enforcement Divisions

This wing consists of eight Enforcement divisions spread across the State and one Inter-State Investigation Cell located in Chennai. All Enforcement divisions and the Inter-State Investigation Cell are headed by Joint Commissioners. Primary function of Enforcement Wing is to identify and control evasion of tax by making investigation, monitoring the movement of goods, conducting surprise inspections and field audit in the places of business of assesseees.

Inter-state movement of goods is monitored through 28 check posts situated at the State borders between Tamil Nadu and Andhra Pradesh, Karnataka, Kerala and Puducherry. 13 checkpoints have also been established at key locations like seaports,

railway yards in the State. Besides, movement of goods within the State is also monitored by 61 Roving Squads. 144 Groups consisting Commercial Tax Officers and Deputy Commercial Tax Officers are used to make investigation with regard to tax evasion and to conduct field audit and surprise inspection at the place of business of dealers. The proposals evolved on the basis of result of such audit and inspection are sent to the assessing authorities concerned to implement the same by making assessment.

ii) Inter - State Investigation Cell (ISIC)

Inter-State Investigation Cell (ISIC) is headed by a Joint Commissioner who liaises with officials in other States to detect evasion of tax in respect of inter-State transactions and exchanges data with them for verification. Based on the result of such

verification, proposals are evolved wherever possible and sent for implementation. In certain cases, Investigation Files are opened and sent to Joint Commissioner, enforcement concerned to take further action.

iii) State Business Intelligence Unit

A Business Intelligence Unit has been established in the office of the Commissioner of Commercial Taxes under the direct supervision and control of the Commissioner of Commercial Taxes. This Unit is headed by a Joint Commissioner consists of one Deputy Commissioner, four Assistant Commissioners, one Assistant Programmer and one Statistical Inspector. The State Business Intelligence Unit (SBIU) makes extensive use of Information Technology in analyzing the data received from various sources like returns of the dealers, documents collected at the check posts of

the Department, information gathered from the agencies of Central Government such as Central Board of Excise and Customs (CBEC), Central Board of Direct Taxes (CBDT), Director General of Foreign Trade (DGFT) etc., returns and check post data of various other State Governments, etc. to detect major tax evasion. Useful reports prepared on the basis of such data analysis are sent to Territorial and Enforcement Wings of the department for taking further action towards curbing tax evasion.

iv) Divisional Business Intelligence Units (DBIUs)

Divisional Business Intelligence Units (DBIUs) have also been constituted in each Enforcement division under the direct control of the Joint Commissioner. They undertake similar investigation activities as done by SBIU, collecting information from local authorities/sources within their jurisdiction.

E. STATISTICS AND RESEARCH CELL

Statistics and Research Cell at the headquarters is headed by a Joint Director of Statistics. The team comprises one Joint Director (Statistics), two Statistical Officers, one Statistical Inspector and two Assistant Statistical Inspectors.

Each Commercial Taxes Division has a Junior Research Officer assisting the Joint Commissioner and each Zone/Commercial Taxes District has a Statistical Inspector assisting Deputy Commissioners.

Statistics and Research Cell regularly brings out the following reports / publications:-

1. Booklet on "Commercial Taxes Department - Administrative Report" - Annually
2. Selected Indicators on Commercial Taxes Department (Folder) - Annually

3. Time series report on "Statistical Compendium on Commercial Taxes Department" – Annually
4. Revenue Analysis of Top 100 dealers for all Divisions and for the State – Monthly
5. Revenue Analysis of maximum revenue yielding commodities for all the Commercial Taxes Divisions and for the State – Monthly
6. Report on Act-wise and Division-wise revenue - Monthly and
7. Report on Monthly Performance of the Divisions – Monthly.

F. COMMERCIAL TAXES STAFF TRAINING INSTITUTE (CTSTI)

The Commercial Taxes Staff Training Institute in Chennai, functioning from the year 1982 onwards, is headed by a Director in the cadre of Joint Commissioner (Commercial Taxes). "In Service Training" and "Refresher Course Training" to all

officials of the department is imparted by this Institute. Training is also imparted at the Regional Training Centres located at Vellore, Salem, Coimbatore, Trichy, Madurai and Tirunelveli. All the staff and officers of the department are taught basic computing skills as well.

From the year 2015-2016 besides regular training, the following special trainings were organised:-

- Management training at Indian Institute of Management for the officers in the cadre of Joint Commissioners and Deputy Commissioners;
- One day soft skill training at Anna Institute of Management for the officers in the cadre of Commercial Tax Officers and Deputy Commercial Tax Officers; and

- Three days soft skill training at Anna Institute of Management for the direct recruitment Assistant Commissioners as a part of In-service training programme.

5. ACTS ADMINISTERED BY THE DEPARTMENT

Commercial Taxes Department

administered the following Tax enactments till 30.06.2017:-

1. Tamil Nadu Value Added Tax Act, 2006 (from 1.1.2007 to 30.6.2017)
2. Central Sales Tax Act, 1956
3. Tamil Nadu General Sales Tax Act, 1959 (upto 31.12.2006)
4. Tamil Nadu Additional Sales Tax Act, 1970 (upto 31.12.2006)
5. Tamil Nadu Entertainments Tax Act, 1939
6. Tamil Nadu Betting Tax Act, 1935
7. Tamil Nadu Tax on Luxuries Act, 1981

8. Tamil Nadu Tax on Entry of Motor Vehicles into Local Areas Act, 1990
9. Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001
10. Tamil Nadu Advertisements Tax Act, 1983.

In lieu of the above Acts, the Tamil Nadu Goods and Services Tax Act, 2017 has been enacted with effect from 1.7.2017.

6. ADMINISTRATIVE COST

Cost efficiency of Tax administration by Commercial Taxes Department has been improved over the years. Administrative cost of Commercial Tax collection has never crossed even 1% of the total tax receipts in a year.

7. GOODS AND SERVICES TAX (GST)

(i) TAXATION POWERS OF CENTRE AND STATES

The Constitution of India provides for delineation of power to levy indirect tax between the Centre and the States. Accordingly, the Central Government used to tax on manufacture of certain goods in the form of Central Excise Duty, provision of certain services in the form of Service Tax, inter-State sale of goods in the form of Central Sales Tax. Similarly, the State Governments used to levy tax on, sales in the form of Value Added Tax, Luxuries Tax, Entertainments Tax, entry of goods and vehicles into the State in the form of Entry Tax, Betting Tax, Advertisement Tax, etc.

(ii) GOODS AND SERVICES TAX

As a transformative step in the field of indirect tax reforms in India, the Government of India decided to amalgamate a large number of Central and State taxes into a single tax called the Goods and Services Tax (GST). To facilitate levy of GST, the Constitution (One Hundred and First Amendment) Act, 2016 was enacted on 8th September, 2016 by the Parliament.

(iii) STAND OF TAMIL NADU ON GST

Tamil Nadu has been at the forefront of protecting the rights of States and preserving its fiscal autonomy. It may be recalled that the Hon'ble Chief Minister had envisioned the difficulties involved in implementation of GST way back in 2014 and had cautioned that certain key issues would have to be resolved in order to

facilitate a smooth roll-out of GST. She had consistently raised many issues among which the following are noteworthy:

- The impact of the proposed GST on the fiscal autonomy of States;
- The huge loss of revenue that manufacturing and net exporting States would suffer on account of GST;
- The need to guarantee States compensation for the loss incurred on account of GST through an independent mechanism;
- The problem of loss of revenue on account of lower tax rates on declared goods;
- The need to keep petroleum products and alcoholic liquor for human consumption outside the ambit of GST;

- The issue of cross-empowerment, under GST;
- The issue of dual control, under GST;
- The need to empower the States to tax transactions taking place within its territorial waters;
- The fixing of thresholds and exemptions from levy of tax under GST; and
- Rates of tax under GST should be Revenue Neutral.

Tamil Nadu had consistently raised these issues in the Parliament as well as in other forums. It was largely due to the concerns voiced by Tamil Nadu that many of the provisions of the Constitutional Amendment Bill were suitably modified. After enactment of the Constitution (One Hundred and First Amendment) Act, 2016 by

Parliament, Tamil Nadu continued to play a proactive and positive role in the GST Council to protect the rights of the State. In the 18 meetings of the GST Council held so far, Tamil Nadu has voiced many of its concerns on various aspects of GST. As a result, it has succeeded in getting many of the issues redressed to its satisfaction, namely:-

- **Compensation to States for loss sustained due to implementation of GST**

Compensation will be provided to States in full for a period of five years through an independent statutory mechanism created for this purpose for the loss arising out of implementation of GST. The GST (Compensation to States) Act, 2017 has been enacted to determine the compensation payable to the States in a fair and transparent manner. A growth rate of 14 per cent per year over the base year 2015-2016 has been adopted for the purpose of

calculating the revenue of the States for determining compensation;

The provision for special treatment of Declared Goods has been removed thereby protecting the revenue interests of the State;

- Alcoholic liquor meant for human consumption has been kept outside the ambit of GST;
- Petroleum products have now been kept outside the purview of GST;
- The vexatious issue of cross empowerment between the Centre and the State in administering the GST statutes has been resolved amicably;
- All administrative control over 90% of taxpayers having turnover below Rs.1.5 crore will vest with State tax administration and only 10% will

be with the Central tax administration. This will protect the interests of the small traders. Further, all administrative control over taxpayers having turnover above Rs.1.5 crore will be divided equally in the ratio of 50:50 for the Central and State tax administration;

- Power to collect GST in territorial waters upto 12 nautical miles has been delegated to the State Government;
- Views of Tamil Nadu have been incorporated in the draft GST Laws, namely Central GST law, IGST law, and Compensation law before they were enacted by the Parliament;

- Similarly, the rates of tax on a large number of goods has been brought down due to the proactive role undertaken by Tamil Nadu.

(iv) ROLL OUT OF GOODS AND SERVICES TAX

The provisions of the Constitution (One Hundred and First Amendment) Act, 2016 were brought into force by the Government of India on 16th September 2016. In order to roll out GST across the country with effect from 1st July 2017, the Government of India enacted the Central GST Act, Integrated GST Act, and the GST (Compensation to States) Act. The States should also enact their own SGST Law to pave way for levy of GST on the supply of Goods and Services (other than the Goods enumerated in Entry 54 of the State List) as per the provisions of

Article 246A of the Constitution of India. Accordingly, the Tamil Nadu Goods and Services Tax Act, 2017 was enacted by the Tamil Nadu Legislative Assembly on 22nd June 2017 and implemented with effect from 1st July 2017.

(v) SALIENT FEATURES OF GST

(i)	The following Central taxes have been subsumed under GST:-
	a) Central Excise Duty;
	b) Duties of Excise (Medicinal and Toilet Preparations);
	c) Additional Duties of Excise (Goods of Special Importance);
	d) Additional Duties of Excise (Textiles and Textile Products);
	e) Additional Duties of Customs (commonly known as CVD);
	f) Special Additional Duty of Customs (SAD);
	g) Service Tax; and

	h) Cesses and surcharges insofar as they relate to supply of goods or services;
(ii)	The following State taxes have been subsumed under GST:-
	a) State VAT;
	b) Central Sales Tax;
	c) Purchase Tax;
	d) Luxuries Tax;
	e) Entry Tax (All forms);
	f) Entertainments Tax (except those levied by the local bodies);
	g) Taxes on advertisements;
	h) Taxes on lotteries; and
	i) State cesses and surcharges insofar as they relate to supply of goods or services.
(iii)	GST is a destination-based consumption tax on the supply of

	goods and services and imports with comprehensive and continuous chain of set-off benefits of the taxes paid from the producer's as well as service provider's point upto the retailer's level. GST is collected from the end consumer.
(iv)	GST is, Central GST (CGST) and State GST (SGST) levied concurrently by the Centre and the States on all transactions involving supply of goods or services or both.
(v)	GST will apply to all goods and services except Alcoholic liquor for human consumption.
(vi)	Petroleum products have now been kept outside the purview of GST for the present.

(vii)	Tobacco and tobacco products are subject to GST In addition, the Centre would continue to levy Central Excise Duty. As Compensation cess is proposed to be levied on Tobacco and tobacco products, levy of Additional Excise Duty on these products has been deferred.
(viii)	Integrated Goods and Services Tax (IGST), which is a sum of CGST and SGST, is levied and collected on the inter-State supply of goods and services (including stock transfers) by the Centre.
(ix)	Exports are zero-rated.
(x)	Imports are treated as inter-State supplies.
(xi)	Input Tax Credit (ITC) to be broad based by making it available in respect of taxes paid on any supply of goods or services or both used or intended to be used in the course or furtherance of business.

(xii)	A common threshold exemption will apply to both CGST and SGST. Taxpayers with an annual turnover of Rs. 20 lakh will be exempted from GST. A compounding option (i.e. to pay tax at a flat rate without credits) is available to small taxpayers (including specified category of manufacturers and service providers) having an annual turnover of up to Rs.75 lakhs. The threshold exemption and compounding scheme would be optional.
(xiii)	Electronic filing of returns can be done by different class of persons at different cut off dates.
(xiv)	Various modes of payment of tax available to the taxpayer including internet banking, debit/ credit card and National Electronic Funds Transfer (NEFT) / Real Time Gross Settlement (RTGS).

(xv)	Advance Ruling Authority has been constituted in order to enable the taxpayer to seek a binding clarity on taxation matters from the department.
(xvi)	Elaborate transitional provisions have been provided for smooth transition of existing taxpayers to GST regime.

(vi) TAX RATES UNDER GST

Fixation of rates under GST is the responsibility of the GST Council. There are four slabs of GST rates, namely 5%, 12%, 18% and 28% for goods and services. Besides, some goods and services are under the list of exempt items. Certain supplies of goods and services are to be paid on reverse charge basis by the recipient of such goods and services. Rate for precious metals has been fixed at 3%. A cess over the peak rate of 28% on certain specified luxury and

demerit goods, like tobacco and tobacco products, pan masala, aerated waters, motor vehicles, will be imposed for a period of five years to compensate States for any revenue loss on account of implementation of GST.

The above rates of tax have been recommended by the Council after taking into account the present tax incidence on account of Central Excise, Service Tax and VAT (including cascading on account of these taxes) as well as embedded taxes and the incidence of CST, Entry Tax, etc. In certain cases, the Fitment Committee comprising the Central Government and State Governments officials had recommended lower/higher GST rates, vis-a-vis the present tax incidence (including embedded taxes) taking into consideration various aspects. However, in a majority of supplies of goods, the tax incidence approved by the GST Council is

much lower than the present combined indirect tax rates levied by the Centre and the States. 81% of products are largely taxed at the rate of 18% and below, and only 19% of products are taxed at the rate of 28%.

Tamil Nadu has been vocal in putting forth its points with regard to fixation of rates of tax and in highlighting specific issues with regard to various sectors of the economy. Due to the persistent efforts of the State, the rates of tax on many items used by the common man have either been exempted or brought under the lower rate category.

18 Sectoral Groups have been constituted representing various sectors of the economy and containing Senior Officers of the Centre and the States to look into the issues and problems of their respective

sectors. In all these Sectoral Groups, officials from Tamil Nadu have also been included. They are interacting and examining the representations received from trade and industry associations/ Chambers of Commerce of their respective sector. Specific issues of the respective sector would be highlighted before the GST Council and Guidance Notes will be issued for smooth transition to GST regime.

(vii) AWARENESS ON GOODS AND SERVICES TAX

All transactions and processes under GST will be done only through electronic mode to achieve non-intrusive administration. This will minimize taxpayers physical interaction with the tax officials. The Commercial Taxes Department in Tamil Nadu has been totally computerized and all transactions and processes, namely registration, filing of returns, payment,

generation of statutory forms are being carried out electronically under the VAT system of taxation. As the dealers in the State are conversant with electronic mode of transactions with the Department, there has been hassle-free transition to GST system. The fact that 91% of the existing dealers under VAT have successfully migrated to the GST platform is an indication of this.

The Commercial Taxes Department has launched an extensive programme to spread awareness about GST among the stakeholders and to remove any doubts that may arise regarding its implementation. As part of this programme, the Department conducted a State-level GST awareness workshop presided over by Hon'ble Minister for Fisheries, Finance and P&AR and Hon'ble Minister for Commercial Taxes in Chennai on 28.6.2017. A total of 712 workshops are

being conducted across the Commercial Taxes Assessment Circles and Commercial Taxes Districts.

(viii) HELP DESKS

Helpdesks have been set up in each assessment circle and Facilitation Centres in every Commercial Taxes Districts for providing assistance to taxpayers. GSTN Toll-free helpline (01204888999) and CT Toll-free helpline (18001036751) have also been established to clear doubts raised by dealers. Extensive multi-media campaign through print and electronic media has also been carried out for informing, educating, and assisting taxpayers and other stakeholders for smooth transition to GST.

The Department is committed to render all support to the dealers in Tamil Nadu in their efforts towards a smooth transition to GST.

8. TRADERS WELFARE

i) Traders Welfare Board

Tamil Nadu Traders Welfare Board was constituted for implementing several welfare schemes for the traders. The welfare schemes are implemented through the interest received from the corpus fund, which was increased in 2012 from Rs.2 crore to Rs.5 crore by the Government to the Board and the matching grant given by the Government, equal to the one time membership fee received from the members. As announced by the former Chief Minister under Rule 110 on the floor of the Assembly on 31.08.2016, the Board's corpus fund has been increased from Rs.5 crore to Rs.10 crore.

ii) Renewal of membership fee

The Government have done away with the requirement of annual renewal of membership and have extended the membership to small dealers, who are doing business by obtaining necessary license from the concerned local bodies, even if they are not registered under the Tamil Nadu Value Added Tax Act, 2006 or are not paying professional tax.

iii) Welfare Schemes

Various welfare schemes viz., family assistance, medical assistance, educational assistance, etc., are being provided by the Traders Welfare Board to their members and their families.

9. COMPUTERISATION

i) Total Solution Project

The Government sanctioned Rs.230.95 crores for implementing end to end Total Computerization Project for five years and finalized the bid value to the tune of Rs.179.98 crore. M/s. Tata Consultancy Services Ltd was entrusted as the System Integrator for this Project.

The prime objectives of this Project are:

- Improve service delivery for the dealers
- Providing anytime anywhere access to Services
- Reduction in service turn around time and minimal physical interaction with the Department
- Increased channels for service delivery

- Transparency in service delivery
- Support the Department in achieving its goal of enhanced revenue collection
- System aided decision making in core Tax processes
- Greater G2G collaboration
- Simplification and streamlining of the procedures of the Department and reduction of cumbersome, time-consuming and non-value adding activities of the Department so that the staff can spend their time on core activities
- Enhanced Analytics and reporting capabilities and business intelligence for system aided decision making.

The Project was inaugurated by the Hon'ble Chief Minister of Tamil Nadu on 29.01.2016.

Following facilities are made available to the dealers of Tamil Nadu through this Project:-

ii) Online Registration

The dealers have been provided with the facility to apply for Registration Certificate online. The dealers can get the TIN Registration certificates on successful submission of application and supporting documents through online, without visiting the Assessment Circle in person.

iii) Online generation of Checkpost forms (JJ, KK, LL and MM)

The facility to generate the Checkpost forms for the movement of goods viz., Forms JJ, KK, LL and MM have been provided to the dealers through the portal <https://ctd.tn.gov.in>. without visiting the Commercial Tax offices.

iv) Filing of returns

The dealers have been facilitated to file the monthly returns (from the return month June 2016) through the new portal <https://ctd.tn.gov.in> in the new format and Annexures. Presently, about 4,35,000 dealers are filing their monthly returns through online.

v) e-payment

e-payment of taxes through online and offline payment has also been implemented through the new portal <https://ctd.tn.gov.in>. Online payment can be made through 31 Banks and offline payment can be made at the Branch counters of 6 Banks authorized by the Government.

Presently, about Rs.5,200 crores (95% of total CT revenue) is being collected from around 1,70,000 dealers every month through e-payment facility.

vi) Online issue of 'C' & 'F' forms

The facility of generating the online 'C' & 'F' forms has been provided to the dealers, based on the monthly returns filed by them from November 2012. Through this facility, the visit of the dealers to the Assessment Circles for obtaining the forms has been minimized. At present, all the statutory forms (C, F and H) can be generated through online.

vii) Refund request for exporters

The filing of Form 'W' return has been prescribed for the exporters who claim the refund of Input Tax credit on their zero rated sales. Introduction of e-filing of Form 'W' has made the process of refund to the exporters faster, when compared to the manual system. Starting from applying for

refund upto the approval and generation of proceedings can be done through online. The status of the refund claim is updated in the website and therefore, the interface between the Department and Dealer is kept at the minimum. In order to validate the export sales, a Memorandum of Understanding (MOU) has been signed with Directorate General of Foreign Trade (DGFT) for verifying Electronic Bank Realization Certificate (e-BRC).

viii) e-filing of Annual Returns

E-Filing facility has been provided to dealers for filing Annual Returns. More than 4 lakh dealers have filed Returns online for the year 2016-17.

ix) Other online Services

The following facilities / services are also available in the website

<https://ctd.tn.gov.in>, for the mercantile public:

- Viewing and downloading of the Acts & Rules, Forms, Circulars, Clarifications, Government Orders and Notifications issued.
- The facility to view dealer payment history and profile (Dealer's Ledger).
- The facility to know the rate of tax and schedule of commodities.
- The facility to know details of dealers by entering their TIN or Name.

x) Intranet facilities to the Department

1. All the work in the Assessment Circle relating to the dealers are done through software with a work flow system
2. Digital Signature Certificate has been provided to all the officials in the Assessment Circle from and above

Deputy Commercial Tax Officer cadre for generating the digitally signed TIN Registration Certificate.

3. Assessment of dealers is completely driven through system.
4. All the Statistical reports have been provided through online.
5. Tax Revenue reports based on online and offline payment of taxes have also been provided through system.

xi) Dealers migration to GST Portal

As Goods and Services Tax (GST) has been implemented with effect from 1.7.2017, all existing dealers under Tamil Nadu Value Added Tax have to be migrated to the GST portal. Special camps have been conducted in important cities and towns to help the dealers in completing their registration in the GST Portal.

So far, more than 91% of the dealers registered in Commercial Taxes Department, have completed their enrolment in the GST Portal.

xii) Data Retrieval Lab

The Data Retrieval Lab established in the department enables the officials to arrest the IT enabled evasion and different kinds of sophisticated trade malpractices by processing the data seized from the dealers, which have been stored in different storage devices and deciphering the suppressed transactions.

10. INFRASTRUCTURE DEVELOPMENT

A. Construction of own buildings for Commercial Tax Assessment Circles other than Chennai

In order to provide better facilities to the staff and visiting traders and to provide good working environment, sanction

was accorded for construction of 16 buildings in various locations for housing 39 offices of the Department at a cost of Rs.23 crores during the year 2011-2012. Out of 16, construction works have been completed in 15 buildings and the offices are functioning now.

During the year 2012-2013, sanction was accorded for construction of own buildings in 10 places for housing 16 offices at a cost of Rs.11.18 crores. In all the places, construction works have been completed and the offices are functioning.

During the year 2013-2014, sanction was accorded for construction of own buildings in 7 places for housing 9 offices at a cost of Rs.10.93 crores, based on the announcement made by the Hon'ble Chief Minister under Rule 110 on the floor of the

Assembly on 13.05.2013. Construction works have been completed in all places and the offices are functioning now.

B. Construction of own buildings for Commercial Tax Assessment Circles in Chennai

On 07.08.2014 an announcement was made by the Hon'ble Chief Minister under Rule 110 on the floor of the Assembly that two Commercial Tax Complexes, one in South and another in North Chennai for housing the Commercial Taxes offices functioning in private buildings, i.e., 70 Assessment Circles and Large Tax Payers Unit in Chennai will be constructed at a cost of Rs.60 crores. Accordingly, action is being taken to Construct an Integrated building to accommodate 52 Commercial Taxes Offices and 4 Registration Department Offices in South Chennai at a cost of Rs.51.98 crores.

The Government have also sanctioned a sum of Rs.25.25 crores for construction of an Integrated complex in North Chennai for housing 34 Commercial Taxes Offices and construction works is in progress.

C. Construction of Integrated Commercial Tax Office building

As announced by the Hon'ble Minister for Commercial Taxes and Registration during the demand for grants for the year 2015-16 in the Assembly on 21.09.2015, the Government have accorded sanction for a sum of Rs.10 crores for construction of an Integrated Office Complex at Nazarathpettai in Poonamallee Taluk of Tiruvallur District, to accommodate 17 Commercial Tax Offices. Now, preliminary work is in progress for construction of the building.

D. Construction of own buildings for Commercial Tax assessment circles

On 31.08.2016, an announcement was made by the Hon'ble Chief Minister under Rule 110 on the floor of the Assembly that buildings will be constructed at Krishnagiri, Namakkal and Palani, so as to accommodate 9 Commercial Tax offices. Accordingly, the Government have accorded administrative and financial sanction for a sum of Rs.6.40 crores for the construction of Commercial Tax office building in the above said places. Construction work will be commenced during the year 2017-2018.

E. Additional Fund for Building Maintenance

As announced by the Hon'ble Minister for Commercial Taxes and Registration during the demand for grants for the year 2015-16 in the Assembly on 21.09.2015, the

Government sanctioned a sum of Rs.5.20 crores for carrying out the civil and electrical works, and to provide modular furniture, etc., through Public Works Department and TANSI in various Commercial Tax Offices housed in Government buildings.

G. Purchase of Vehicles

There are 238 vehicles sanctioned for the Department, of which 217 are in roadworthy condition. Condemned vehicles are promptly replaced by the department with equal number of new vehicles.

During 2012-2013, 16 vehicles were purchased at a cost of Rs.86.38 lakhs.

During the year 2014-2015, 22 vehicles were purchased at a cost of Rs.124.12 lakhs.

During the year 2015-2016, 14 vehicles were purchased at a cost of Rs.84.31 lakhs.

During the year 2016-2017, 5 vehicles were purchased at a cost of Rs.29.58 lakhs.

It has been proposed to purchase 10 Bolero Jeeps at a cost of Rs.65.68 lakhs for the year 2017-2018.

11. RIGHT TO INFORMATION ACT, 2005

Right to Information Act, 2005 was enacted to bring transparency in the working of Government Organisations. The Commercial Taxes Department with fairly large amount of direct interaction with the mercantile public, ensures that the activities of the Department are conducted in a clear, simple and transparent manner. Towards this objective, the Department gives special importance to all the petitions received under the Right to Information Act, 2005 and replies are sent promptly to the applicants in all the cases.

K.C.VEERAMANI
MINISTER FOR COMMERCIAL TAXES