

TAX EVASION IN PANPARAG, GUTKHA AND SIMILAR TOBACCO PRODUCTS IN TAMIL NADU - DISTRIBUTORS AND RETAILERS WARNED.

Tobacco products such as Pan Masala, Gutkha, Chewing Tobacco and other similar tobacco products are taxable at 20% with effect from 12.07.2011 on the point of first sale in this State. In Tamilnadu, the tax paid by the dealers in Gutkha and Pan Masala for the year 2011-2012 was Rs.14.49 Crore and for the year, 2012-2013 (upto December 2012) the revenue collected was Rs.27.63 Crore. However, lot of tax evasion is suspected in this trade and it is estimated that the State loses several crores of tax, due to evasion by the dealers in this trade.

Recently, the officers of the Commercial Taxes Department conducted surprise inspections all over the State on the dealers engaged in this trade and also intensified the checking of vehicles at Check posts, Parcel Offices, Railway stations and at bus station for checking the evasion. Commodities of Gutkha and Pan Masala valued at Rs.6.86 crores were detained and an amount of Rs.2.00 crores was collected as tax and penalty.

The Government therefore intends to curtail the evasion by sensitizing the distributors and retailers in this trade. The retail level traders should compulsorily possess valid invoices for the stocks of such commodities they are having. It is also planned to have combined action to verify the retail level traders with the help of various other departments such as Health, Police, Local bodies, and Revenue departments. In case if any of Gutkha and Pan Masala etc. are found to be kept without valid invoices, necessary action as per the provisions of the law would be carried out.

Hence, it is requested that all the retail traders should buy and sell these items with valid invoices only and to refrain from any tax evasions. The Commercial Taxes Department has planned to implement this procedure rigorously from 25.2.2013.

Commissioner of Commercial Taxes

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