

PRESS RELEASE

A Fine of Rs.1.09 crore collected against Tax Evasion on Tobacco Products

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Sales Tax on Tobacco products is currently 30% for the first point of sale in Tamil Nadu. 30% sales tax should be paid at the first point of sale in Tamil Nadu. All dealers should retain invoices for tobacco products in their outlets or in godown and make them available for inspection. Legal action will be initiated against the dealers who purchase or sell tobacco products without proper invoices indicating tax paid or if they fail to pay appropriate tax or if they maintain such stocks in an unregistered godown or if they have not properly accounted for their stocks.

Surprise checks have been conducted in Railway stations, omnibus buses, check posts, retail and whole sale shops across the state. On 27.1.2015 alone, based on action initiated against evading dealers in Coimbatore Division, a fine of Rs.41.29 lakh were collected from such dealers for tax evasion who were selling tobacco products without proper invoices and keeping stocks in unregistered godown. In Chennai, Enforcement division has recovered tax and penalty from evading dealers a sum of Rs.29 lakhs and Enforcement-2 division has recovered evaded tax of Rs.13 lakhs. On 25.01.2015, a passenger bus has been seized with contraband cigarettes and Rs.10 lakh collected as tax and penalty. In Vellore, checks in shops and vehicles resulted in collection of tax and penalty of Rs. 16 lakhs.

Checks have been intensified and dealers who indulge in tax evasion are warned of strict action and penal consequences.

PRINCIPAL SECRETARY/  
COMMISSIONER OF COMMERCIAL TAXES

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