

## LAW DEPARTMENT

## NOTIFICATION

The 15th October 1991

**No. 16004-Legis.**—The following Act of the Orissa Legislative Assembly having been assented to by the Governor on the 11th October 1991, is hereby published for general information.

ORISSA ACT 21 OF 1991

## THE ORISSA SALES TAX (AMENDMENT) ACT, 1991

## AN ACT FURTHER TO AMEND THE ORISSA SALES TAX ACT, 1947

Be it enacted by the Legislature of the State of Orissa in the Forty-second Year of the Republic of India as follows:—

- Short title and commencement.
1. (1) This Act may be called the Orissa Sales Tax (Amendment) Act, 1991.
  - (2) It shall be deemed to have come into force on the 1st day of August, 1991.

- Amendment of Section 2.
2. In Section 2 of the Orissa Sales Tax Act, 1947 (hereinafter referred to as the <sup>Orissa Act</sup> principal Act),—

- (a) after clause (ddd), the following clauses shall be inserted, namely:—

“(dddd) “importer” means a dealer who brings any goods into the State or to whom any goods are despatched from any place outside the State

(ddddd) “manufacture”, with all its grammatical variations and cognate expressions, means producing, extracting, altering, ornamenting, finishing or otherwise processing or adopting any goods, but shall not include such manufacture or manufacturing process as the State Government may, by notification, specify from time to time; and

- (b) after clause (f), the following clause shall be inserted, namely:—

“(ff) “Small Scale Industry” means an industry which is certified as such by the Director of Industries, Orissa, or the General Manager or Project Manager of the concerned District Industries Centre, Orissa or by any other authority as the State Government may, by notification, specify from time to time;

- Amendment of Section 4
3. In Section 4 of the principal Act,—

- (a) in sub-section (1),—

(i) for the words, brackets and figure “Orissa Sales Tax (Amendment) Act, 1990”, the words, brackets and figure “Orissa Sales Tax (Amendment) Act, 1991” shall be substituted;

(ii) for the letters and figure “Rs. 1,00,000”, the words, brackets and figure “the limit specified in sub-section (7)” shall be substituted;

(b) in sub-sections (2), (3) and (4), for the letters and figure "Rs. 1,00,000"; the words, brackets and figure "the limit specified in sub-section (7)" shall be substituted;

(c) after sub-section (6), the following sub-section shall be inserted, namely:—

"(7) For the purpose of this section, the limit shall be,—

(a) in relation to a dealer who is an importer, Rs. 20,000;

(b) in relation to a dealer who manufactures any goods (other than such goods as the State Government may, by notification, specify from time to time in this behalf), Rs. 1,00,000;

(c) in relation to a dealer engaged in the execution of works contract and in execution thereof supplies goods (whether as goods or in some other forms), Rs. 1,00,000; and

(d) in relation to any other dealer not covered by clauses (a), (b) and (c), Rs. 2,00,000."

Amendment  
of Section 9.

4. In Section 9 of the principal Act, in clause (b) of sub-section (6), for the letters and figure "Rs. 1,00,000", the words, brackets and figures "the limit specified in sub-section (7) of section 4" shall be substituted.

Amendment  
of Section 11.

5. In section 11 of the principal Act, in sub-section (3),—

(a) in the Explanation, after the words, brackets, figures and letters "under sub-section (2) of section 13-AA", the words, brackets, figures and letters "or under sub-section (2) of section 13-AAA", shall be inserted; and

(b) in the proviso, after the words, brackets, figures and letters "under sub-section (2) of section 13-AA", the words, brackets, figures and letters "or under sub-section (2) of section 13-AAA", shall be inserted.

Amendment  
of Section 13.

6. In section 13 of the principal Act,—

(a) in sub-section (2), after the words, brackets, figures and letters "under sub-section (2) of section 13-AA", the words, brackets, figures and letters "or under sub-section (2) of section 13-AAA", shall be inserted; and

(b) in sub-section (4), in clause (ee), after the word, figure and letters "section 13-AA", the words, figures and letters "or under sub-section (5) of section 13-AAA", shall be inserted.

Insertion of  
new Section  
13-AAA.

7. After section 13-AA of the principal Act, the following section shall be inserted, namely:—

Deduction of tax at source from payment to small scale industry.

"13-AAA. (1) Notwithstanding anything contained in section 13 or in any other law or contract to the contrary, any person responsible to pay any sum to any small scale industry for supplies made by it to the State Government shall, at the time of credit of such sum to the account of the small scale industry or at the time of payment thereof in cash or by issue of a cheque or draft or any other mode, whichever is earlier, deduct the amount of sales tax from the bills or invoices.

(2) While making deduction as referred to in sub-section (1), the deducting authority shall grant a certificate to the small scale industry in the prescribed form and shall send a copy thereof to the Sales Tax Officer within whose jurisdiction such supply is made.

(3) The amount deducted from the bills or invoices shall be deposited into the Government Treasury within one week from the date of such deduction in such form or challan as may be prescribed.

(4) Such deposit into the Treasury shall be adjusted by the Sales Tax Officer towards the Sales Tax liability of the small scale industry and shall constitute a good and sufficient discharge of the liability of the deducting authority to the small scale industry to the extent of the amount deposited.

(5) If any person contravenes the provisions of sub-section (1) or sub-section (2) or sub-section (3), the Sales Tax Officer shall, after giving him an opportunity of being heard, by an order in writing, impose on such person a penalty not exceeding twice the amount required to be deducted and deposited by him into Government Treasury."

Removal of doubts.

8. For the removal of doubts it is hereby declared that the liability of any dealer to pay tax under the principal Act in respect of any period prior to the date appointed by notification under sub-section (1) of section 4 of the principal Act as amended by this Act shall not in any way be affected by any amendment made under this Act.

Repeal and savings.

9. (1) The Orissa Sales Tax (Amendment) Ordinance, 1991 is hereby repealed

Orissa Ordinance No. 6 of 1991.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

By order of the Governor

P. K. PANIGRAHI

Secretary to Government

## THE ORISSA SALES TAX (AMENDMENT) ACT, 1991

## TABLE OF CONTENTS

## PREAMBLE

## SECTIONS

- 1 Short title and commencement
- 2 Amendment of section 2
- 3 Amendment of section 4
- 4 Amendment of section 9
- 5 Amendment of section 11
- 6 Amendment of section 13
- 7 Insertion of new section 13-AAA
- 8 Removal of doubts
- 9 Repeal and savings