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मध्यप्रदेश राजपत्र

(असाधारण)

प्राधिकार से प्रकाशित

क्रमांक 21]

भोपाल, शुक्रवार, दिनांक 11 जनवरी 2019—पौष 21, शक 1940

विधि और विधायी कार्य विभाग

भोपाल, दिनांक 11 जनवरी 2019

क्र. 853-7-इक्कीस-अ (प्रा.).—भारत के संविधान के अनुच्छेद 348 के खण्ड (3) के अनुसरण में, मध्यप्रदेश माल और सेवा कर (संशोधन) विधेयक, 2019 (क्रमांक 2 सन् 2019) का अंग्रेजी अनुवाद राज्यपाल के प्राधिकार से एतद्वारा प्रकाशित किया जाता है.

मध्यप्रदेश के राज्यपाल के नाम से तथा आदेशानुसार,
राजेश यादव, अतिरिक्त सचिव.

MADHYA PRADESH BILL

No. 2 OF 2019

THE MADHYA PRADESH GOODS AND SERVICES TAX (AMENDMENT) BILL, 2019

TABLE OF CONTENTS

Clauses :

1. Short title and commencement.
2. Amendment of Section 2.
3. Amendment of Section 6.
4. Amendment of Section 7.
5. Amendment of Section 9.
6. Amendment of Section 10.
7. Amendment of Section 12.
8. Amendment of Section 13.

9. Amendment of Section 16.
10. Amendment of Section 17.
11. Amendment of Section 20.
12. Amendment of Section 22.
13. Amendment of Section 24.
14. Amendment of Section 25.
15. Amendment of Section 29.
16. Amendment of Section 34.
17. Amendment of Section 35.
18. Amendment of Section 39.
19. Insertion of Section 43 A.
20. Amendment of Section 48.
21. Amendment of Section 49.
22. Insertion of Sections 49A and 49 B.
23. Amendment of Section 52.
24. Amendment of Section 54.
25. Amendment of Section 67.
26. Amendment of Section 79.
27. Amendment of Section 107.
28. Amendment of Section 112.
29. Amendment of Section 129.
30. Amendment of Section 140.
31. Amendment of Section 142.
32. Amendment of Section 143.
33. Amendment of Section 165.
34. Amendment of Section 166.
35. Amendment of Section 174.
36. Amendment of Schedule I.
37. Amendment of Schedule II.
38. Amendment of Schedule III.
39. Repeal and saving.

MADHYA PRADESH BILL

No. 2 OF 2019

THE MADHYA PRADESH GOODS AND SERVICES TAX (AMENDMENT) BILL, 2019

A Bill further to amend the Madhya Pradesh Goods and Services Tax Act, 2017.

Be it enacted by the Madhya Pradesh Legislature in the sixty-ninth year of the Republic of India as follows:—

1. (1) This Act may be called the Madhya Pradesh Goods and Services Tax (Amendment) Act, 2019.

Short title and commencement.

(2) Save as otherwise provided, the provisions of this Act 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 the 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.

2. In Section 2 of the Madhya Pradesh Goods and Services Tax Act, 2017 (No. 19 of 2017) (hereinafter referred to as the principal Act)—

Amendment of Section 2.

(a) in clause (4), for the words “the Appellate Authority and the Appellate Tribunal”, the words, bracket and figures “the Appellate Authority, the Appellate Tribunal and the Authority referred to in sub-section (2) of Section 171” shall be substituted;

(b) in clause (16) for the words “Central Board of Excise and Customs”, the words “Central Board of Indirect Taxes and Customs” shall be substituted;

(c) in clause (17), for sub-clause (h), the following sub-clause shall be substituted, namely:—

“(h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club; and”;

(d) clause (18) shall be omitted;

(e) with effect from the 1st day of July, 2017 clause (21) shall be deemed to have been omitted;

(f) with effect from the 1st day of July, 2017 clauses (22) to (111) shall be deemed to have been renumbered as clauses (21) to (110) respectively;

(g) in clause (35) as so renumbered, for the word, bracket and letter “clause (c)”, the word, bracket and letter “clause (b)” shall be substituted;

(h) in clause (69) so renumbered, in sub-clause (f), after the word and figure “article 371”, the words, figure and letter “and article 371J” shall be inserted;

(i) in clause (102) so renumbered, the following Explanation shall be inserted, namely:—

“**Explanation.**—For the removal of doubts, it is hereby clarified that the expression “services” includes facilitating or arranging transactions in securities;”;

(j) with effect from the 1st day of July, 2017 after the clause (110) so renumbered, the following clause shall be deemed to have been inserted, namely:—

“(111) “the Central Goods and Services Tax Act, 2017” means the Central Goods and Services Tax Act, 2017 (No. 12 of 2017); ”.

Amendment of Section 6. 3. For the marginal heading of Section 6 of the principal Act, the following marginal heading shall be substituted, namely:—

“Authorisation of officers of central tax as proper officer in certain circumstances”.

Amendment of Section 7. 4. In Section 7 of the principal Act, with effect from the 1st day of July, 2017,—

(a) in sub-section (1),—

(i) in clause (b), after the words “or furtherance of business;”, the word “and” shall be inserted and shall always be deemed to have been inserted;

(ii) in clause (c), after the words “a consideration”, the word “and shall be omitted and shall always be deemed to have been omitted;

(iii) clause (d) shall be omitted and shall always be deemed to have been omitted;

(b) after sub-section (1), the following sub-section shall be inserted and shall always be deemed to have been inserted, namely:—

“(1A) Where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.”;

(c) in sub-section (3), for the words, brackets and figures “sub-sections (1), and (2)” the words, brackets, figures and letter “sub-section (1), (1A) and (2)” shall be substituted.

Amendment of Section 9. 5. In Section 9 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.”.

Amendment of Section 10. 6. In Section 10 of the principal Act,—

(a) in sub-section (1),—

(i) for the words “in lieu of the tax payable by him, an amount calculated at such rate”, the words, brackets and figures “in lieu of the tax payable by him under sub-section (1) of Section 9, an amount of tax calculated at such rate” shall be substituted;

(ii) in the existing proviso, for the words “one crore rupees”, the words “one crore and fifty lakh rupees” shall be substituted;

(iii) after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), of value not exceeding ten per cent of turnover in a State in the preceding financial year or five lakh rupees, whichever is higher.”;

(b) in sub-section (2), for clause (a), the following clause shall be substituted, namely:—

“(a) save as provided in sub-section (1), he is not engaged in the supply of services.”.

7. In Section 12 of the principal Act, in sub-section (2), in clause (a), the words, bracket and figure "sub-section (1) of" shall be omitted. **Amendment of Section 12.**
8. In Section 13 of the principal Act, in sub-section (2), the words, brackets and figure "sub-section (2) of" occurring at both the places, shall be omitted. **Amendment of Section 13.**
9. In Section 16 of the principal Act, in sub-section (2),—
- (a) in clause (b), for the Explanation, the following Explanation shall be substituted, namely:—
- “Explanation.—**For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services,—
- (i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;
- (ii) where the services are provided by the supplier to any person on the direction of and on account of such registered persons.”;
- (b) in clause (c), for the word and figure “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted.
10. In Section 17 of the principal Act,— **Amendment of Section 17.**
- (a) in sub-section (3), the following Explanation shall be inserted, namely:—
- “Explanation.—**For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.”;
- (b) in sub-section (5), for clauses (a) and (b), the following clauses shall be substituted, namely:—
- “(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—
- (A) further supply of such motor vehicles; or
- (B) transportation of passengers; or
- (C) imparting training on driving such motor vehicles;
- (aa) vessels and aircraft except when they are used—
- (i) for making the following taxable supplies, namely:—
- (A) further supply of such vessels or aircraft; or
- (B) transportation of passengers; or
- (C) imparting training on navigating such vessels; or
- (D) imparting training on flying such aircraft;
- (ii) for transportation of goods;
- (ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):
- Provided that the input tax credit in respect of such services shall be available,—
- (i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purpose specified therein;

- (ii) where received by a taxable person engaged—
- (I) in the manufacture of such motor vehicles, vessels or aircraft; or
- (II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;
- (b) the following supply of goods or services or both,—
- (i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:

Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;

- (ii) membership of a club, health and fitness centre; and
- (iii) travel benefits extended to employees on vacation such as leave or home travel concession:

Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.”.

Amendment of Section 20.

11. In Section 20 of the principal Act, in the Explanation, in clause (c), for the words and figure “under entry 84,”, the words, figures and letter “under entries 84 and 92A” shall be substituted.

Amendment of Section 22.

12. In section 22 of the principal Act,—

- (a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the Government may, at the request of a special category State and on the recommendations of the council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified.”;

- (b) in the Explanation, for clause (iii), the following clause shall be substituted, namely:—

“(iii) the expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution except the State of Jammu and Kashmir, Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Utterakhand.”.

Amendment of Section 24.

13. In Section 24 of the principal Act, in clause (x), after the words “commerce operator”, the words and figure “who is required to collect tax at source under-section 52” shall be inserted.

Amendment of Section 25.

14. In Section 25 of the principal Act,—

- (a) in sub-section (1), after the existing proviso and before the Explanation, the following proviso shall be inserted, namely:—

“Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the same State.”.

- (b) in sub-section (2), for the existing proviso, the following proviso shall be substituted, namely:—

“Provided that a person having multiple places of business in a State may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed.”.

15. In section 29 of the principal Act,—

Amendment of Section 29.

- (a) for the marginal heading, the following marginal heading shall be substituted, namely:—

“Cancellation or suspension of Registration.”;

- (b) in sub-section (1), after clause (c), the following proviso shall be inserted, namely:—

“Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.”;

- (c) in sub-section (2), after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.”.

16. In section 34 of the principal Act,—

Amendment of Section 34.

- (a) in sub-section (1),—

- (i) for the words “Where a tax invoice has”, the words “where one or more tax invoices have” shall be substituted;

- (ii) for the words “a credit note”, the words “one or more credit notes for supplies made in financial year” shall be substituted;

- (b) in sub-section (3),—

- (i) for the words “Where a tax invoice has”, the words “Where one or more tax invoices have” shall be substituted;

- (ii) for the words “a debit note”, the words “one or more debit notes for supplies made in a financial year” shall be substituted.

17. In section 35 of the principal Act, in sub-section (5), the following proviso shall be inserted, namely:—

Amendment of Section 34.

“Provided that nothing contained in this sub-section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.”.

18. In Section 39 of the principal Act,—

Amendment of Section 39.

- (a) in sub-section(1),—

- (i) for the words “in such form and manner as may be prescribed”, the words “in such form, manner and within such time as may be prescribed” shall be substituted;

(ii) the words "on or before the twentieth day of the month succeeding such calendar month or part thereof" shall be omitted;

(iii) the following proviso shall be inserted, namely:—

"Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall furnish return for every quarter or part thereof, subject to such conditions and safeguards as may be specified therein.";

(b) in sub-section (7), the following proviso shall be inserted, namely:—

"Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall pay to the Government the tax due or part thereof as per the return on or before the last date on which he is required to furnish such return, subject to such conditions and safeguards as may be specified therein.";

(c) in the sub-section (9),—

(i) for the words "in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed", the words "in such form and manner as may be prescribed" shall be substituted;

(ii) for the proviso, the following proviso shall be substituted, namely:—

"Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.".

Insertion of
Section 43 A.

19. After section 43 of the principal Act, the following section shall be inserted, namely:—

"43A. Procedure for furnishing return and availing input tax credit.

- (1) Notwithstanding anything contained in sub-section (2) of section 16, section 37 or section 38, every registered person shall in the returns furnished under sub-section (1) of section 39 verify, validate, modify or delete the details of supplies furnished by the suppliers.
- (2) Notwithstanding anything contained in section 41, section 42 or section 43, the procedure for availing of input tax credit by the recipient and verification thereof shall be such as may be prescribed.
- (3) The procedure for furnishing the details of outward supplies by the supplier on the common portal, for the purposes of availing input tax credit by the recipient shall be such as may be prescribed.
- (4) The procedure for availing input tax credit in respect of outward supplies not furnished under sub-section (3) shall be such as may be prescribed and such procedure may include the maximum amount of the input tax credit which can be so availed, not exceeding twenty per cent. of the input tax credit available, on the basis of details furnished by the suppliers under the said sub-section.
- (5) The amount of tax specified in the outward supplies for which the details have been furnished by the supplier under sub-section (3) shall be deemed to be the tax payable by him under the provisions of the Act.

- (6) The supplier and the recipient of a supply shall be jointly and severally liable to pay tax or to pay the input tax credit availed, as the case may be, in relation to outward supplies for which the details have been furnished under sub-section (3) or sub-section (4) but return thereof has not been furnished.
- (7) For the purposes of sub-section (6), the recovery shall be made in such manner as may be prescribed and such procedure may provide for non-recovery of an amount of tax or input tax credit wrongly availed not exceeding one thousand rupees.
- (8) The procedure, safeguards and threshold of the tax amount in relation to outward supplies, the details of which can be furnished under sub-section (3) by a registered person,—
- (i) within six months of taking registration;
- (ii) who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount, shall be such as may be prescribed.”.

20. In section 48 of principal Act, in sub-section (2), after the words and figures “return under section 39 or section 44 or section 45”, the words “and to perform such other functions” shall be inserted.

Amendment of Section 48.

21. In section 49 of the principal Act,—

Amendment of Section 49.

- (a) in sub-section (2), for the word and figures “Section 41”, the words, figures and letter “Section 41 or section 43A” shall be substituted;
- (b) in sub-section (5),—
- (i) in clause (c), the following proviso shall be inserted, namely:—
- “Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”;
- (ii) in clause (d), the following proviso shall be inserted, namely:—
- “Provided that the input tax credit on account of Union territory tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”.

22. After section 49 of the principal Act, the following sections shall be inserted, namely:—

Insertion of Sections 49 A and 49 B.

“49A. Utilisation of input tax credit subject to certain conditions.

Notwithstanding anything contained in section 49, the input tax credit on account of State tax shall be utilised towards payment of integrated tax or State tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.

49B. Order of utilisation of input tax credit.

Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of sub-section (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilisation of the input tax credit on account of integrated tax, central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.”.

- Amendment of Section 52.** 23. In section 52 of the principal Act, in sub-section (9), for the word and figures "section 37", the words and figures "section 37 or section 39" shall be substituted.
- Amendment of Section 54.** 24. In section 54 of the principal Act,—
- (a) in sub-section (8), in clause (a), for the words "zero-rated supplies" occurring twice, the words "export" and "exports" shall respectively be substituted;
- (b) in the Explanation, in clause (2),—
- (i) in sub-clause (c), in item (i), after the words "foreign exchange", the words "or in Indian rupees wherever permitted by the Reserve Bank of India" shall be inserted;
- (ii) for sub-clause (e), the following sub-clause shall be substituted namely :—
- "(e) in the case of refund of unutilised input tax credit under clause (ii) of the first proviso to sub-section (3), the due date for furnishing of return under section 39 for the period in which such claim for refund arises;"
- Amendment of Section 67.** 25. With effect from the 1st day of July, 2017, in sub-section (2) of section 67 of the principal Act, for the opening paragraph, the following paragraph shall be substituted, namely :—
- "Where the proper officer, not below the rank of Joint Commissioner, either pursuant to an inspection carried out under sub-section (1) or otherwise, has reasons to believe that any goods liable to confiscation or any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise in writing any other officer of State tax to search and seize or may himself search and seize such goods, documents or books or things."
- Amendment of Section 79.** 26. In section 79 of the principal Act, after sub-section (4), the following Explanation shall be inserted, namely :—
- "Explanation.—for the purposes of this section, the word "person" shall include "Distinct Persons" as referred to in sub-section (4) or, as the case may be, sub-section (5) of section 25."
- Amendment of Section 107.** 27. In section 107 of the principal Act, in sub-section (6), for clause (b), the following clause shall be substituted, namely :—
- "(b) a sum equal to ten per cent of the remaining amount of tax in dispute arising from the said order, in relation to which the appeal has been filed, subject to a maximum of twenty-five crore rupees."
- Amendment of Section 112.** 28. In section 112 of the principal Act, in sub-section (8), for clause (b), the following clause shall be substituted, namely :—
- "(b) in addition to the amount paid under sub-section (6) of section 107, a sum equal to twenty per cent of the remaining amount of tax dispute arising from the said order, in relation to which the appeal has been filled, subject to a maximum of fifty crore rupees."

29. In Section 129 of the principal Act,—

**Amendment of
Section 129.**

- (a) with effect from first day of July, 2017, in sub-section (1) for clause (b), the following clause shall be substituted, namely :—
- “(b) on payment of the applicable tax and penalty equal to the fifty per cent. of the value of the goods reduced by the tax amount paid thereon and, in case of exempted goods, on payment of an amount equal to five per cent of the value of goods or twenty five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such tax and penalty;”
- (b) in sub-section (6), for the words “Seven days”, the words “fourteen days” shall be substituted.

30. With effect from the 1st day of July, 2017, in Section 140 of the principal Act.—

**Amendment of
Section 140.**

- (a) in sub-section (4), for the opening paragraph , the following paragraph shall be substituted, namely:—
- “A registered person, who was engaged in the sale of taxable goods as well as exempted goods or tax free goods, by whatever name called, under the existing law but which are liable to tax under this Act, shall be entitled to take, in his electronic credit ledger,—”;
- (b) in sub-section (6), for the opening paragraph, the following paragraph shall be substituted, namely:—

“A registered person, who was either paying tax at fixed rate or paying under the existing law shall be entitled to take, in his electronic credit ledger, credit of value added tax in respect of inputs field in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely:—”.

31. With effect from the 1st day of July, 2017, in Section 142 of the principal Act.—

**Amendment of
section 142.**

- (a) in sub-section (1), for the opening paragraph , the following paragraph shall be substituted, namely:—
- “(1) where any goods on which tax, if any, had been paid under the existing law at the time of sale thereof not being earlier than six months prior to the appointed day, are returned to any place of business on or after the appointed day, the registered person shall be eligible for refund of the tax paid under the existing law where such goods are returned by a person, other than a registered person, to the said place of business within a period of six months from the appointed day and such goods are identifiable to the satisfaction of the proper officer:”;
- (b) in sub-section (7), for clause (a), the following clause shall be substituted, namely:—
- “(a) Every proceeding of appeal, revision, review or reference relating to any output tax liability intimated whether before, on or after the appointed day under the existing law, shall be disposed of in accordance with the provisions of the existing law, and if any amount becomes recoverable as a result of such appeal, revision, review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.”.

Amendment of Section 143.

32. In Section 143 of the principal Act, in sub-section (1), in clause (b), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the period of one year and three years may, on sufficient cause being shown, be extended by the commissioner for a further period not exceeding one year and two years respectively.”.

Amendment of Section 165.

33. With effect from 1st day of July, 2017, for Section 165 of the principal Act, the following section shall be substituted, namely:—

“165. Power to make regulations.

The Government may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the provisions of this Act.”.

Amendment of Section 166.

34. with effect from 1st day of July, 2017, for Section 166 of the principal Act, the following section shall be substituted. namely:—

166. Laying of rules, regulations and notifications.

Every rule made by the Government, every regulation made by the Government and every notification issued by the Government under this Act, shall be laid, as soon as may be after it is made or issued, before the State Legislature, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, the State Legislature agrees in making any modification in the rule or regulation or in the notification, as the case may be, or the State Legislature agrees that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification, as the case may be.”.

Amendment of Section 174.

35. with effect from 1st day of July, 2017, for Section 174 of the principal Act,—

(a) in sub-section(2), for clause (f), the following clause shall be substituted, namely:—

“(f) affect any proceedings including that relating to an appeal, revision, review or reference, instituted before, on or after the appointed day under the said amended Act or repealed Acts or the rules made thereunder and such proceedings shall be continued under the said amended Acts or repealed Acts as if this Act had not come into force and the said Acts had not been amended or repealed.”;

(b) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) The mention of the particular matters referred to in Section 173 and sub-section (1) shall not be held to prejudice or affect the general application of the Madhya Pradesh General Clauses Act, 1957 (No. 3 of 1958) with regard to the effect of repeal.”.

36. In Schedule I of the principal Act, in paragraph 4, for the words “taxable person”, the word “person” shall be substituted. Amendment of Schedule I.

37. In Schedule II of the principal Act, in the heading, after the word “ACTIVITIES”, the words “OR TRANSACTIONS” shall be inserted and shall always be deemed to have been inserted with effect from the 1st day of July, 2017. Amendment of Schedule II.

38. In Schedule III of the principal Act,— Amendment of Schedule III.

(a) after paragraph 6, the following paragraphs shall be inserted, namely :—

“7. Supply of goods from a place outside India to another place outside India without such goods entering into India.

8. (a) Supply of warehoused goods to any person before clearance for home consumption;

(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.”;

(b) the Explanation shall be numbered as Explanation 1 and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely:—

“Explanation 2.-For the purposes of paragraph 8, the expression “warehoused goods” shall have the same meaning as assigned to it in the Customs Act, 1962 (No. 52 of 1962).”.

39. (1) The Madhya Pradesh Goods and Services Tax (Amendment) Ordinance, 2018 (No. 11 of 2018) is hereby repealed. Repeal and saving

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

STATEMENT OF OBJECTS AND REASONS

The Madhya Pradesh Goods and Services Tax Act, 2017 (the Act) 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 by the State Government

2. The Act provides for certain provisions for smooth transition of existing tax payers to new goods and services tax regime. However, the new tax regime had faced certain difficulties. One of the major inconveniences caused to the taxpayers, especially small and medium enterprises, was the process of filing return and payment of tax under the Goods and Services Tax laws. In this regard, the proposed new return filing system, envisages quarterly filling of return and tax payment for small taxpayers along with minimum paperwork. In order to implement the new return filing system, and also to overcome the above difficulties, it is proposed to amend the Madhya Pradesh Goods and Services Tax Act, 2017

3. The proposed Madhya Pradesh Goods and Services Tax (Amendment) Bill, 2019, inter alia, provides for the following, namely:—

(i) to amend section 7 of the Act to clarify the scope of supply;

- (ii) to amend section 9 of the Act empowering the State Government to notify classes of registered persons to pay the tax on reverse charge basis in respect of receipt of supplies of certain specified goods from unregistered suppliers;
- (iii) to amend section 10 of the Act so as to enhance the limit of composition levy from one crore rupees to one crore and fifty lakh rupees;
- (iv) To amend section 17 of the Act to specify the scope of input tax credit;
- (v) To amend section 22 of the Act to enhance the exemption limit for registration in the special category States from ten lakh rupees to twenty lakh rupees;
- (vi) To amend section 25 of the Act so as to facilitate tax payer to have the option to obtain multiple registrations for multiple place of business located within the same State or Union territory and to provide for separate registration for Special Economic Zone unit or developer;
- (vii) To amend section 29 of the Act so as to insert a provision for temporary suspension of registration while cancellation of registration is under process;
- (viii) To insert a new section 43A so as to provide for the new system of filling return and availing input tax credit;
- (ix) To amend sub-section (6) of section 107 of the Act relating to appeals so as to provided that the amount of pre-deposit payable for filing of appeal shall be capped at twenty five crore rupees;
- (x) to amend section 129 of the Act so as to increase the period relating to detention or seizure of goods and conveyance in transit from seven days to fourteen days; and
- (xi) To amend section 2, section 6, section 12, section 13, section 67, section 140, 165. section 166 and section 174 and the said amendment is drafting in nature.

4. As the matter was urgent and the Legislative Assembly was not in session, the Madhya Pradesh Goods and services Tax (Amendment) ordinance, 2018 (No. 11 of 2018) was promulgated for the purpose. It is now proposed to replace the said Ordinance by an Act of the State Legislature without any modification.

5. Hence this Bill.

Bhopal :
Dated the 7th January, 2019

BRAJENDRA SINGH RATHORE
Member-in-charge