

Office of the
Commissioner of Sales Tax,
8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai-400 010.

Trade Circular

No. CST/Amendment/Adm-6/
Circular No. 11T of 2011.

Mumbai, Date : 12/07/2011

Sub :- Notification No. CST-2002/CR-30/Taxation-2, dated
1st May 2002 u/s 8(5) of Central Sales Tax Act, 1956 -
in respect of Motor Vehicle.

Ref :- Internal circular No. CST/Amendment/1008/12/Adm-6
- Circular No. 17A of 2010, dated 18th December 2010.

An internal circular referred to above was issued regarding Taxation of motor vehicles under Central Sales Tax Act, 1956 for the VAT period from 1.4.2005. It was mentioned in the said circular that the relevant notification in respect of Motor Vehicle, dated 1st May 2002 as amended from time to time contained a reference to the entry 102 of Schedule 'C' to Bombay Sales Tax Act, 1959. That after coming into force of Maharashtra Value Added Tax Act, 2002 from 1st April 2005, there was no such entry in existence in MVAT Act and hence the said notification was no more in force from 1st April 2005. Officers were directed to take action and disallow the claims of concessional rate under Central Sales Tax Act, 1956 for periods after 1st April 2005.

The interpretation of the said provision was disputed by the trade and it was therefore decided to seek the opinion of law and Judiciary on the issue - i.e. whether the notification under Central Sales Tax Act, 1956, dated 1st May 2002 as amended from time to time and containing reference to entry under Bombay Sales Tax Act, 1959 continued after repeal of the Bombay Sales Tax.

Law and Judiciary, Government of Maharashtra, in their opinion dated 16th March 2011 has opined.

"In view of the afore-stated clear provision of Central Sales Tax Act, 1956, - it can be said that mere reference of Bombay Sales Tax Act, 1959, in the notification issued under section 8(5) does not make redundant the notification even after repeal of Bombay Sales Tax Act. Since, the said notification is issued under section 8(5) of the Act, 1956 and the Central Sales Tax Act, 1956 is still in existence and since the notification issued on 1st May 2002 has not yet been withdrawn, it can be said that the same still continues and the rate of tax under Central Sales Tax Act, 1956 is still available to motor vehicles as covered by above notification after 1st April 2005."

In view of the legal opinion received from Law and Judiciary, the circular instructions issued earlier vide reference 1 above are hereby withdrawn. All the officers are hereby instructed to take note of this and take necessary action.

Yours faithfully,



(SANJAY BHATIA)
Commissioner of Sales Tax,
Maharashtra State, Mumbai.

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Mumbai, Dt. 12/07/2011

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3. Copy to all the Desks and Desk Officers in the office of the Commissioner of Sales Tax, Maharashtra State, Mumbai.



(G.B.Indurkar)
Joint Commissioner of Sales Tax (HQ)1,
Maharashtra State, Mumbai.