

8th floor, Vikrikar Bhavan,
Mazgaon, Mumbai - 400010.

TRADE CIRCULAR

Sub: Revision in rates of Maharashtra Value Added Tax.

- Ref:** 1) Notification No. VAT.1515 / C.R.128A/Taxation 1. Dated 30th September 2015.
2) Notification No. VAT. 1515 / C.R.128B/Taxation 1. Dated 30th September 2015.
3) Notification No.VAT 1511/C.R. 57/Taxation-1, Dated 30th April 2011.
4) Trade Circular No. 8T of 2011 dated 4th May 2011.

No.VAT/AMD-2015/1C/4/Adm-8

Trade Cir. 16 T of 2015

Mumbai Dt: 04/11/2015

The State Government has issued notifications on 30th September 2015, which have already been made available on the Department's web site. By virtue of the notification No. VAT.1515/C.R.128A/Taxation 1, dated 30th September 2015, the schedule rates of tax on certain commodities have been increased with effect from the 1st October 2015. By notification No. VAT.1515/C.R.128B/Taxation 1, dated 30th September 2015, the formula provided in the notification u/s 41(5) of the MVAT Act, applicable to liquor dealers has been modified.

The Table, below contains the schedule entries, whose rates of tax have been modified w.e.f. 1st October 2015.

Sch. Entry	Name of the Commodity	Rate of tax before 1 st October 2015	Rate of tax w.e.f. 1 st October 2015
B-1	Articles made of precious metals of fineness not less than fifty per cent., whether or not containing precious stones, semi-precious	1%	1.2%

	stones, diamonds or pearls whether real or cultured and to which entry 105 in Schedule "C" does not apply but excluding industrial goods and industrial tools to which entry 53A of Schedule "C" applies.		
B-2	Precious metals that is to say Gold, Silver, Platinum, Osmium, Palladium, Rhodium, Ruthenium and alloys of any of them. Explanation. - For the purposes of this entry, an alloy of precious metal means a precious metal of fineness of not less than fifty per cent.	1%	1.2%
B-3	Precious stones including diamonds, semi-precious stones and pearls whether real or cultured. <i>[Schedule entries B-3 and B-3A have been clubbed together and single entry B-3 has been inserted with some technical changes.]</i>	1%	1.2%
B-4	Hairpins, Imitation Jewellery, beads of glass, plastics or of any metal other than precious metals and parts and components thereof.	1%	1.2%
D-1	Foreign liquor as defined, from time to time, in rule (3)(6)(1) of the Bombay Foreign Liquor Rules, 1953, excluding wine.	50%	60%
D-2	Country liquor as defined in the Maharashtra Country Liquor Rules, 1973.	50%	60%
D-3	Liquor, imported from any place outside the territory of India as defined, from time to time, in rule 3(4) of the Maharashtra	50%	60%

D-10	Any other kind of Motor Spirit, (a) when delivered,-- (i) to a retail trader for trading from a place of business situated within the geographical limits of Municipal Corporations of the Brihan Mumbai, Thane, Navi Mumbai and within such other areas for such period as may be notified by the State Government in the Official Gazette; and (ii) to a person other than the retail trader having place of business situated within the geographical limits of the Municipal Corporations of the Brihan Mumbai, Thane, Navi Mumbai and within such other areas for such period as may be notified by the State Government in the Official Gazette.	26%+One rupee per litre	26%+Three rupees per litre
	(b) when delivered in circumstances other than those mentioned in clause(a) above.	26%+One rupee per litre	26%+Three rupee per litre
		25%+One rupee per litre	25%+Three rupee per litre
D-13	Aerated and Carbonated non-alcoholic beverage whether or not containing sugar or other sweetening matter or flavour or any other additives.	20%	25%
D-14	Cigar and cigarettes.	25%	35%

2. **Taxation of liquor:** Schedule rate of tax on liquor, covered by Schedule entries, D-1, D-2 and D-3 has been increased from 50% to 60%, as seen above. The rate of tax on wine, covered by entry D-3A and on bulk wine, covered by entry D-3B continues to be 40% and 20% respectively. Earlier, the State Government had issued a notification u/s 41(5) of the MVAT Act on 30th April 2011 providing for partial exemption/exemption

from payment of tax, as per Schedule entry in certain circumstances. The taxation scheme had been explained elaborately in the Trade Circular No 8T of 2011 dated 4th May 2011. All the guidelines given in the said Trade Circular continue to be applicable, except for the change in formula contained in the notification dated 30th April 2011. The said notification u/s 41(5) has now been amended with effect from 1st October 2015 (Reference No. 2). In view of the amendment, the tax liability of different types of liquor dealers is explained as follows:

- a. Manufacturers: Prior to 1st October 2015, the manufacturers of foreign liquor and country liquor were required to pay tax at schedule rate of 50% of the actual sales price but, subject to the limit of MRP X 25/125. From 1st October 2015, the manufacturers shall be liable to pay tax at schedule rate of 60%, subject to the limit of MRP X 30/130.
- b. Wholesalers, retailers and country liquor bars: Prior to 1st October 2015, the wholesalers, retailers and country liquor bars were exempted from payment of tax on sales of liquor, purchased from registered dealers in the state. This exemption continues even from 1st October 2015 onwards.

However, wholesalers, selling liquor, which has been brought or imported from outside the state were liable to pay tax at schedule rate of 50% of the actual sales price but, subject to the limit of MRP X 25/125. From 1st October 2015, such wholesalers would be liable to pay tax at schedule rate of 60% of the actual sales price but, subject to the limit of MRP X 30/130 on sale of such liquor.

- c. Hotels, Restaurants, having gradation of four star or above:

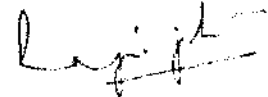
Prior to 1st October 2015, such restaurants were liable to pay tax @ 20% on the actual sales price of liquor, purchased from a registered dealer in the state. However, in respect of liquor brought or imported from outside the state, tax was payable at schedule rate of 50% on actual sales price but, subject to the limit of MRP X 25/125 in addition to 20% of the actual sales price.

From 1st October 2015 onwards, there is no change in the tax liability, in respect of liquor purchased from a registered dealer in the state. However, in respect of liquor brought or imported from outside the state, the restaurant would be liable to pay tax at schedule rate of 60% of the actual sales price but, subject to the limit of MRP X 30/130. Of course, in addition, the liability to pay tax at 20% of the actual sales price continues unchanged.

d. Restaurants, having gradation of three star and below, clubs:

Prior to 1st October 2015, such restaurants were liable to pay tax @ 5% on the actual sales price of liquor, purchased from a registered dealer in the state. However, in respect of liquor brought or imported from outside the state, tax was payable at schedule rate of 50% of the actual sales price but, subject to the limit of MRP X 25/125, in addition to 5% of the actual sales price.

From 1st October 2015 onwards, there is no change in the tax liability, in respect of liquor purchased from a registered dealer in the state. However, in respect of liquor brought or imported from outside the state, the restaurant would be liable to pay tax at schedule rate of 60% of the actual sales price but, subject to the limit of MRP X 30/130. Of course, in addition, the liability to pay tax at 5% of the actual sales price continues unchanged.



(Rajiv Jalota)

Commissioner of Sales Tax
Maharashtra State, Mumbai.

No.VAT/AMD-2015/1C/4/Adm-8

Trade Cir. 16 T of 2015

Mumbai Dt: 04/11/2015

Copy forwarded to the Joint Commissioner of Sales Tax (Mahavikas) with a request to upload this Trade Circular on the Department's web-site.



(D.M.Thorat)

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