

GOVERNMENT OF MEGHALAYA  
EXCISE:REGISTRATION:TAXATION & STAMPS DEPARTMENT

ORDER BY THE GOVERNOR

NOTIFICATION

Dated Shillong, the 9<sup>th</sup> July, 2009.

No. ERTS (T) 64/98/408 - Whereas in pursuance of the Industrial Policy of Meghalaya, 1997, tax exemption was granted to eligible industrial units under the Meghalaya Industries (Sales Tax Exemption) Scheme, 2001:

And whereas also as per the national consensus the Value Added Tax system which is a multipoint system has been introduced in the State of Meghalaya with effect from 1<sup>st</sup> May, 2005 replacing the old sales tax system;

And whereas further the tax exemption granted earlier to eligible industrial units under the erstwhile Meghalaya Industries (Sales Tax Exemption) Schemes, 2001 being found not compatible with VAT system has been replaced by a remission scheme, namely, the Meghalaya Industries (Tax Remission) Scheme, 2006:

And whereas also an eligible industrial unit under the remission scheme is required to charge tax as per the applicable rates of tax to ensure smooth continuing of the VAT chain but 99% of the tax so charged does not actually accrue to the Government exchequer as the eligible unit is required to deposit only 1% of such tax into Government exchequer as per provisions of the said remission scheme;

And whereas further also a dealer registered under the Meghalaya Value Added Tax Act, 2003 ( Meghalaya Act 2 of 2005) who purchases goods taxable under VAT system from such eligible industrial units and sells such goods to another industrial unit under the Remission Scheme in the course of intra-state or inter-state trade or commerce or in the course of export out of the territory of India being eligible to input tax credit as per VAT system, becomes entitled to the refund of the tax so charged by eligible industrial units;

And, whereas, also in the public interest it has become necessary to restrict the availment of input tax credit in respect of subsequent sales of goods taxable under VAT system made by a registered dealer in the course of intra-state or inter-state trade or commerce or in the course of export out of the territory of India if the goods so sold are manufactured by an eligible industrial unit.

Office of the Superintendent  
of Taxes, Shillong, Meghalaya  
Receipt No. 2875  
Date of Receipt 23/7/09  
File No.

B.N.  
4521-02  
14/7/09

Now, therefore, in exercise of the powers conferred by sub-section (10) of Section 11 of the Meghalaya Value Added Tax Act, 2003 (Meghalaya Act No. 2 of 2005) the Governor of Meghalaya hereby notifies that a registered dealer who purchases goods specified in Scheduled-II, Scheduled-III, Scheduled-IV and Scheduled-V appended to the said Act within the State of Meghalaya, manufactured by an eligible industrial unit under the Meghalaya Industries (Tax Remission) Scheme, 2006 and sells such goods to another industrial unit under the Remission Scheme in the course of intra-state or inter-state trade or commerce or in the course of export out of the territory of India shall not be entitled to input tax credit for the amount of tax shown to have been charged in the tax invoice issued by the eligible industrial unit in respect of such sale.

The eligible industrial unit under the Meghalaya Industries (Tax Remission) Scheme, 2006 shall mention its number and date of Certificate of Entitlement and also give a declaration in the tax invoice to the effect that the goods so sold under the invoice are manufactured in the industrial unit enjoying the benefits under the respective category of the remission scheme.

This Notification shall come into force on the date of its publication in the official Gazette.

sd/-

(P. W. Ingty)

Commissioner and Secretary to the Govt. of Meghalaya,  
Excise, Registration, Taxation & Stamps Deptt.

Memo. No. ERTS(T) 64/98/408-A.

Dated Shillong, the 9<sup>th</sup> July, 2009.

Copy to :-

1. Additional Chief Secretary Government of Meghalaya, Shillong.
2. Commissioner of Taxes, Government of Meghalaya, Shillong.
3. Under Secretary to the Govt. of Meghalaya, Industries Department.
4. Director of Printing and Stationery Department with a request to publish the Notification in the next issue of the Meghalaya Gazette.

By order etc.,

*M. W. Ingty*  
9/7/2009

Under secretary to the Govt of Meghalaya,  
Excise: Registration: Taxation & Stamps Department.

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