



The Nagaland Sales Tax Act, 1967

Act 11 of 1967

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NAGALAND ACT 11 OF 1967

[THE NAGALAND SALES TAX ACT, 1967.]

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15th November, 1967.*

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**An Act to provide for the levy of a tax on the sales of
goods in Nagaland.**

Preamble.—WHEREAS it is necessary, to make an addition to the revenues of Nagaland and, for that purpose, it is expedient to impose a tax on the sale of goods ;

It is hereby enacted in the Eighteenth Year of the Republic of India as follows :—

Short title, extent and commencement.—1. (1) This Act may be called the Nagaland Sales Tax Act, 1967.

(2) It extends to the whole of Nagaland.

(3) It shall come into force on such date as the State Government, may by notification in the Official Gazette appoint.

Definitions.—2. In this Act, unless there is anything repugnant in the subject or context :—

(1) "Commissioner" means the Commissioner of Taxes appointed under section 3 ;

(2) "Contract" means any agreement for carrying out for cash or deferred payment or other valuable consideration :—

(a) the preparation, construction, fitting out, improvement or repair

of any movable property, or of any building, road, bridge or other immovable property ; or

(b) the installation or repair of any machinery affixed to a building or other immovable property ;

(3) "Dealer" means any persons who carries on the business of buying, selling, supplying or distributing goods directly or otherwise, whether for cash, or for deferred payment, or for commission, remuneration or other valuable consideration and includes any society, club or association which sells or supplies goods to its members :—

Explanation.—The manager or agent of a dealer who resides outside the State and carries on the business of selling or supplying goods in the State shall in respect of such business be deemed to be a dealer for the purposes of this Act ;

(4) "Declared Goods" means goods declared by section 14 of the Central Sales Tax Act, 1956 (Act 74 of 1956) to be special importance in inter-state trade or commerce and the sale of which is taxable under this Act ;

(5) "Goods" means all kinds of movable property other than News-papers, actionable claims, stocks, shares or securities, and includes all materials, articles and commodities, whether or not to be used for the purposes referred to in sub-clause (a) and (b) of clause (2) ;

(6) "Gross turnover" means the turnover referred to in section 13 ;

(7) "Net turnover" means the turnover referred to in section 14 ;

(8) "Person" means any individual, or association or body of individuals, and includes a Department of any Government, a Hindu undivided or joint family, a firm and a company, whether incorporated or not ;

(9) "Prescribed" means prescribed by rules made under this Act ;

(10) "Registered dealer" means a dealer registered under the provisions of this Act ;

(11) "Sale" with all its grammatical variations and cognate expressions

means any transfer of property in goods by any persons for cash or deferred payment or other valuable consideration, and includes a transfer by separate agreement and for money consideration of goods involved in the execution of a contract, but does not include a mortgage, hypothecation, charge or pledge :—

Explanation.—Sale also shall be deemed to include a transfer of goods on the hire-purchase or other instalment system of payment, notwithstanding the fact that the vendor may retain the title in the goods as a security for payment of the price ;

(12) "Sale price" means the amount payable to a dealer as valuable consideration for :—

(a) the sale or supply of any goods, less any sum allowed as cash discount according to ordinary trade practice, but including any sum charged for anything done by the dealer with or in respect of the goods at the time of or before, delivery thereof other than the cost of freight or delivery or the cost of installation where such cost is separately charged ; or

(b) the carrying out of any contract, less such fraction of such amount as represents the prescribed proportion of the cost of labour used in carrying out contract ;

(13) "Section" means a section of this Act ;

(14) "State" means the State of Nagaland ; and

(15) "Year" means the financial year.

Taxing Authorities.—3. (1) The State Government may, for carrying out the purposes of this Act, appoint a Commissioner of Taxes, and such other persons to assist him as it thinks fit.

(2) Persons appointed under sub-section (1) shall exercise such powers as may be conferred, and perform such duties as may be required, by or under this Act.

(3) All persons appointed under sub-section (1) shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (XLV of 1860).

Liability to Tax.—4. Subject to the provisions of this Act every dealer whose gross turnover from sales which have taken place either wholly in NAGALAND or both in and outside NAGALAND during the twelve months immediately preceding the date of such commencement exceeded Rs. 12,000 (hereinafter referred to as “the taxable quantum”) shall be liable to pay tax under this Act on sales which have taken place in Nagaland on and from the date of such commencement ;

(2) Every dealer to whom sub-section (1) does not apply shall be liable to pay tax under this Act with effect from the first of April of the year during which his gross turnover from sales which have taken place either wholly in NAGALAND OR BOTH IN AND OUTSIDE NAGALAND first amounts to or exceeds the taxable quantum “provided that such dealers shall not be liable to pay the tax under this Act during such year in respect of his gross turnover upto the taxable quantum” specified in sub-section (1) ;

(3) Dealer registered under the Central Sales Tax Act, 1956 (Act No. 74 of 1956) who is not liable to pay tax under sub-section (1) and (2) above, shall nevertheless be liable to pay tax on his sale of any goods in respect of the purchases of which he has furnished a declaration under sub-section (4) of section 8 of the Central Sales Tax Act, 1956, or on the sale of any goods in the manufacture of which such goods have been used and every such dealer who is liable to pay tax shall be deemed to be a registered dealer ;

(4) Nothing in sub-sections (1), (2) and (3) above shall be deemed to render any dealer liable to tax on the sale of goods where such sales take place :—

- (i) Outside the State of NAGALAND ;
- (ii) In the course of the import of the goods into, or export of the goods out of, the territory of India ; or
- (iii) In the course of inter-state trade or commerce ;

Explanation :—For the purpose of this sub-section, whether a sale takes place :—

- (i) Outside the State of NAGALAND ;
- (ii) In the course of import of the goods into or export of the

goods out of, the territory of India ; or

- (iii) In the course of inter-State trade or commerce ; be determined in accordance with the principles, specified in section 3, 4 and 5 of the Central Sales Tax Act, 1956. (No. 74 of 1956)

(5) Every dealer who has become liable to pay tax under this Act shall continue to be so liable until the expiry of three consecutive years, during each of which his gross turnover from sales which have taken place either wholly in Nagaland or both in and outside Nagaland has failed to amount to or exceed the "taxable quantum" and on the expiry of this period, his liability to pay tax under this Act shall cease ;

(6) Every dealer whose liability to pay tax under this Act has ceased under the provisions of sub-section (4) shall again be liable to pay tax with effect from the first of April of the year during which his gross turnover from sales which has taken place either wholly in Nagaland or both in and outside Nagaland again amounts to or exceeds the "taxable quantum" ;

(7) Where a dealer liable to pay tax under this Act starts a new business, partnership firm or concern, whether by changing the constitution, style or name of the previous business, partnership firm or concern shall notwithstanding anything contained in the proviso to sub-section (2) of this section, be liable to pay tax on sales which have taken place in Nagaland from the date of the commencement of the said business, partnership firm or concern as the case may be.

Rate of Tax.—5. (1) The tax payable by a dealer under this Act shall be at the rate specified in Schedule I attached to this Act ; Provided that the State Government may, by notification in the Official Gazette grant rebate not exceeding one per centum of the tax subject to such conditions as may be specified therein ;

(2) The State Government, after giving by notification in the Official Gazette not less than three months, notice of its intention so to do may, by like notification, reduce the rates of tax specified in the said Schedule and thereupon the said Schedule shall be deemed to be amended accordingly.

Charge of Tax.—6. (1) The tax shall be charged at the specified rate for each category of goods on the total net turnover of a dealer.

[(2) Where the total tax payable by a dealer as per sub-section (1) contains fraction of a rupee—

- (a) in case the fraction is below 50 (fifty) paise it shall be omitted ;
- (b) in case the fraction is 50 (fifty) paise and above it shall be rounded to the next higher rupee.]¹

Limit of application of the Act.—7. The provisions of this Act shall not apply to the sale of—

(1) Goods taxable under the Nagaland (Sales of Petroleum and Petroleum Products including Motor Spirit and Lubricants) Taxation Act, 1967.

[(2) Goods taxable under the Nagaland Finance (Sales tax) Act, 1967.]²

(3) Goods on which a duty or fee is levied under the Eastern Bengal and Assam Excise Act, 1910 ; and

(4) Goods specially exempted under the provisions of this Act.

Exemptions.—8. (1) Subject to the conditions and exemptions, if any, set out in Schedule II attached to this Act, the sales of goods specified therein shall be exempted from taxation under this Act.

(2) The State Government, after giving in the Official Gazette such previous notice as may be considered reasonable of its intention, so to do, may, by like notification, add to, amend or otherwise modify, the said Schedule and thereupon the said Schedule shall be deemed to be amended accordingly.

Compulsory Registration.—9. (1) No dealer shall, while being liable to pay tax under the provisions of this Act, carry on business as a dealer unless he has been registered and possesses a certificate of registration.

(2) Every dealer required by sub-section (1) to be registered shall apply for registration to the Commissioner in the prescribed manner, and obtain a certificate of registration.

1 Inserted *vide* Nagaland Act 3 of 1971.

2 Omitted *vide* Nagaland Act 3 of 1971.

(3) On receipt of an application under sub-section (2), the Commissioner shall, if he is satisfied after such enquiry as may be deemed necessary that the application is in order, register the applicant.

Registration by Commissioner.—10. (1) The Commissioner may, in addition to taking any other action under the provisions of this Act, require any dealer who, in his opinion, is liable to registration but has not made an application in this behalf to apply for registration and register him. The Commissioner shall register a dealer who fails to apply for registration within a specified time :

Provided that no action under this sub-section shall be taken unless the Commissioner has given notice to the dealer of his intention so to do and has allowed him a reasonable opportunity of being heard.

(2) The Commissioner shall register any dealer who has been (convicted under section 42 or has paid composition money under section 45 in respect of any contravention of sub-section (1) of section 9 ;

(3) Registration made under sub-section (1) or sub-section (2) shall take effect as if these had been made on the dealer's application under sub-section (2) of section 9.

Voluntary Registration.—11. (1) Any dealer whose total gross turnover during a year amounts to or exceeds the taxable quantum may, notwithstanding that he may not be liable to pay tax under section 4, apply in the manner referred to in sub-section (2) of section 9 for registration under this Act.

(2) The provisions of sub-section (3) of section 9 and of section 12 shall apply in respect of applications for registration under this sub-section (1) of this section.

(3) Every dealer who has been registered upon application under this section shall, for so long as his registration remains in force, be liable to pay tax under this Act ;

(4) The registration effected under the provisions of this section shall be in force for a period of not less than three complete years and shall remain in force thereafter unless cancelled under the provisions of this Act ;

(5) A dealer registered under this section may, subject to the provisions of sub-section (a), apply not less than six months before the end of a year to the authority which granted him his certificate of registration for cancellation of such registration to take effect at the end of the year in which the application for such cancellation is made ; and the said authority shall, unless the dealer is liable to pay tax under section 4, cancel the registration accordingly.

Certificate of Registration—12. (1) A dealer registered under section 9 or section 10 shall be granted a certificate of registration in such form as may be prescribed, which shall specify the class or classes of goods in which at the time of the grant of the said certificate the dealer carries on business and such other particulars as may be prescribed ;

(2) The Commissioner may, on petition or otherwise, cancel or amend from time to time any certificate or registration ;

“Provided that no action under this sub-section shall be taken unless the Commissioner has given notice to the dealer of his intention so to do and has allowed him a reasonable opportunity of being heard.”¹

(3) The Commissioner shall cancel the certificate of registration when—

(a) the business in respect of which the certificate was issued has been discontinued or transferred ; or

(b) the liability to pay tax in respect of such business has ceased under this Act ;

(4) The Commissioner or any officer authorised by him in writing in this behalf, if it appears to him to be necessary so to do for the proper realisation of the tax levied under this Act, may impose for reasons to be recorded in writing as a condition of the issue of a registration certificate to a dealer or of the continuance, in effect, of such a certificate issued to any dealer, a requirement that the dealer, shall give security upto an amount and in the manner approved by the Commissioner for the payment of the tax for which he may be or become liable under this Act.

¹ Inserted *vide* Nagaland Act 3 of 1971.

Gross Turnover.—13. (1) The gross turnover of a dealer during any given period shall be determined by taking the aggregate of the sale prices of goods sold during that period ;

(2) In computing under sub-section (1) the turnover of a dealer for the purposes of this Act, there shall be included—

(a) so much of the turnover of a wife or minor child of such dealer as arises directly or indirectly from—

(i) the membership of the wife in the business of which her husband is a partner ;

(ii) the admission of the minor to the benefits of partnership in the business of which the father is a partner ; and

(iii) the business or any part thereof transferred directly or indirectly to the wife or the minor, not being a married daughter by the husband or the father otherwise than for adequate consideration ; and

(b) so much of the turnover of any person as arises from the business transferred otherwise than for adequate consideration to the person by a dealer for the benefit of his wife or of minor child or both.

Net Turnover.—14. The net turnover shall be determined by deducting from a dealer's gross turnover during any given period—

(1) his turnover during that period on—

(a) the sale of goods exempted under sections 7 and 8 ;

(aa) goods taxed at the rate of seven paise in the rupee.¹

(b) sale to a registered dealer of—

(i) goods specified in the purchasing dealer's certificate of registration as being intended by him for—

(a) resale in the State, or

¹ Inserted *vide* Nagaland Act 3 of 1971.

- (b) use in the execution of any contract,
 - (ii) containers and other materials for the packing of such goods :
 Provided that the goods which are purchased free of tax and used by a dealer for purposes other than those specified in his certificate of registration, the price of such goods so utilised shall be included in his net turnover ; and
- (c) such other sales as may be prescribed;
- (2) the amount of any debt proved to have been bad and written off on which tax has been paid ; and
- (3) the per centum as against each item of the balance remaining after making the deductions admissible under clauses (1) and (2) in case of goods specified below—

(a) goods taxed at the rate of ten paise in the rupee	per centum 9.09
(b) goods taxed at the rate of five paise in the rupee	4.76
(c) goods taxed at the rate of three paise in the rupee	2.91
(d) goods taxed at the rate of one paise in the rupee	0.99

Returns.—15. (1) Every registered dealer shall furnish such returns of his total turnover by such dates and to such authority as may be prescribed ;

(2) In the case of any other dealer whose total turnover is, in the opinion of the Commissioner, of such amount as to render him liable to pay tax under this Act for any year or a part thereof, the Commissioner may serve [at any time within eight years of the end of the aforesaid period] a notice in the prescribed form upon him requiring him to furnish a return of his total turnover ; and such dealer shall thereupon furnish the return within the period and to the authority mentioned in the notice ;

(3) If any dealer discovers any omission or other error in any return

¹ Substituted *vide* Nagaland Act 3 of 1971 for the word "in the year"

furnished by him either under sub-section (1) or sub-section (2), he may furnish a revised return at any time before assessment is made on the original return ;

(4) No return submitted under this section shall be valid unless it is accompanied by a treasury receipt showing payment of the tax due as provided in sub-section (2) of section 36.

Assessment.—16. (1) If the Commissioner is satisfied that a return furnished by a dealer under section 15 in respect of any period is correct and complete, he shall by an order in writing, assess the dealer and determine the tax payable by him on the basis of such return ;

(2) If the Commissioner is not satisfied that a return furnished under section 15 is correct and complete, he shall serve on the dealer a notice requiring him, on the date, and at the hour and place specified therein, either to attend in person or to produce or cause to be produce any evidence on which he may rely in support of his return.

(3) On the day specified in the notice under the sub-section 2 or as soon afterwards as may be, the Commissioner, after hearing such evidence as the dealer may produce and such other evidence as the Commissioner may require, shall, by an order in writing, assess the dealer and determine the tax payable by him on such assessment.

(4) If a dealer fails to make a return as required by sub-section (1) or sub-section (2) of section 15, as the case may be, or having made the return fails to comply with all the terms of the notice issued under sub-section (2) of this section, the Commissioner shall by an order in writing, assess to the best of his judgment the dealer, and determine the tax payable by him on the basis of such assessment :

Provided that before making assessment the Commissioner may allow the dealer such further time as he thinks fit to make the return or to comply with the terms of the notice issued under sub-section (2) of this section.

Cancellation of assessment.—17. Where a dealer, in the case of an assessment completed under sub-section (4) of section 16, satisfies the

Commissioner, within one month from the [date of service]¹ of a notice of demand is hereinafter provided, that he was prevented by sufficient cause from making the return required by section 15 or that he did not receive the notice issued under sub-section (2) or section 15 or sub-section (2) of section 16, or that he had not a reasonable opportunity to comply, or was prevented by sufficient cause from complying with the terms of the notice, the Commissioner shall cancel the assessment and make a fresh assessment in accordance with the provisions of section 16.

Assessment in case of evasion.—18. If upon information which has come into his possession, the Commissioner is satisfied that any dealer has been liable to pay tax under this Act in respect of any period and has nevertheless failed to apply for registration, and to make the return required of him, the Commissioner may, at any time within eight years of the end of the aforesaid period, serve on the dealer a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 15 and may proceed to assess the dealer in respect of such period and all subsequent periods, and the provisions of the Act so far as may be shall apply accordingly as if the notice were a notice issued under the aforesaid sub-section :

Provided that the tax shall be charged at the rate at which it would have been ordinarily chargeable.

[Provided further that before making an assessment under this sub-section, the Commissioner shall give notice to the dealer of his intention so to do and allow him a reasonable opportunity of being heard]²

Turnover escaping assessment.—19. (1) If upon information which has come into his possession the Commissioner is satisfied that any turnover in respect of sales of any goods chargeable to tax under this Act has escaped assessment during any return period or has been under-assessed or assessed at a lower rate or any deduction has been wrongly made therefrom he may, at any time within eight years of the end of the aforesaid period serve on the dealer liable to pay the tax in respect of such turnover a notice containing all or any of the requirements which may be included in a

1 Substituted *vide* Nagaland Act 3 of 1971 for "date of issue".

2 Inserted *vide* Nagaland Act 3 of 1971.

notice under sub-section (2) of section 15 or sub-section (2) of section 16 and may proceed to assess or re-assess the dealer in respect of such period and the provision of this Act shall apply accordingly as if the notice were a notice served under the aforesaid sub-section :

Provided that the tax shall be charged at the rate at which it would have been ordinarily chargeable.

[Provided further that before making an assessment under this sub-section, the Commissioner shall give notice to the dealer of his intention so to do and allow him a reasonable opportunity of being heard.]¹

(2) The Commissioner may authorise any person appointed under section 3 to assist him in investigating any case or appoints in a case at any stage to make a report thereon to the Commissioner or any prescribed authority in respect of all or any of the assessments made in relation to the case in order to prevent the evasion of tax. After considering the report of the investigating officer the Commissioner may proceed to take action under sub-section (1) besides initiating any other action under this act against the dealer concerned.

Restriction on movement.—20. No person shall take delivery or transport from any railway station, airport, post office or any other place whether of similar nature or otherwise notified in this behalf by the State Government; any consignment of goods the sale of which is taxable under Act, exceeding such quantities and except in accordance with such conditions as may be prescribed. Such conditions shall be made with a view to ensure that there is no evasion of the tax imposed by this Act.

Rectification of Assessment.—21. (1) The authority which made an assessment or passed an order on appeal or revision in respect thereof may, at any time within eight years from the date of such assessment or order and of its own motion, rectify any mistake apparent from the record of the case, and shall, within the like period, rectify any such mistake as has been brought to its notice by a dealer :

Provided that no such rectification shall be made having the effect of enhancing the assessment unless the authority concerned has given notice

¹ Inserted *vide* Nagaland Act 3 of 1971.

to the dealer of its intention so to do and has allowed him a reasonable opportunity of being heard.

(2) Where any such rectification has the effect of reducing the assessment, a refund shall be due to the dealer.

(3) Where any such rectification has the effect of enhancing the assessment, a notice of demand shall be issued for the sum payable.

Penalty for concealment of turnover and evasion of Tax.—22.

(1) If the Commissioner, in the course of any proceeding under this act, is satisfied that any dealer :—

- (a) has without reasonable cause, failed to furnish the return which he was required to furnish under section 15 or section 18 or has, without reasonable cause, failed to furnish it within the time allowed and in the manner required, or
- (b) has, without reasonable cause, failed to comply with a notice under sub-section (2) of section 16, or
- (c) has, concealed the particulars of his turnover or deliberately furnished inaccurate particulars of such turnover, or
- (d) has, evaded in any way the liability to pay tax, he may direct that such dealer shall pay by way of penalty, in addition to the tax payable by him, a sum not exceeding one and a half times that amount.

(2) No order under sub-section (1) shall be made unless a dealer has been heard or has been given a reasonable opportunity of being heard.

(3) No penalty under this section shall be imposed by an officer appointed to assist the Commissioner without the previous sanction of the Commissioner.

Assessment not to bar prosecutions or penalties.—23. Any assessment made under this act shall be without prejudice to any prosecution or penalty instituted or imposed under the provisions of this Act.

Tax of deceased Payable by representative.—24. (1) Where a dealer dies after assessment but before payment of the tax, his executor,

administrator or other legal representative shall be liable to pay, out of the estate of the deceased to the extent to which it is capable of meeting the charge, the tax assessed as payable by such dealer.

(2) Where a dealer dies without having furnished the return required by section 15 or after having the return but before assessment, the Commissioner may proceed to make an assessment and determine the tax payable by the deceased; and for this purpose he may require the executor, administrator or other legal representative, as the case may be, of the deceased to perform all or any of the obligations which he might, under the provisions of this Act, have required the deceased to perform. The tax thus determined shall be payable by the executor, administrator or other legal representative of the deceased to the extent to which the estate of the deceased is capable of meeting the charge.

Assessment and recovery of Tax on transfer of business.—25.

Where the ownership of the business of a dealer liable to pay tax or other amount is transferred, any tax or other amount payable under this Act in respect of such business and remaining unpaid at the time of the transfer and any tax or other amount due upto the date of transfer though unassessed may, without prejudice to any action that may be taken for its recovery from the transferor, be recovered from the transferee as if he were the dealer liable to pay such tax or other amount.

Provided that the recovery from the transferee of the arrears of taxes due for the period prior to the date of the transfer shall be limited to the value of the assets he obtained by transfer.

(2) Notwithstanding anything contained in this Act, if it appears to the Commissioner during any current return period that any dealer is likely to change, sell, transfer, dispose of or otherwise part with any of his assets with a view to avoiding payment of any liability under the provisions of this Act, the net turnover of such dealer for the period from the expiry of the previous return period to the date when the Commissioner commences proceeding under this section shall be chargeable to tax in that period.

(3) For the purpose of making an assessment under sub-section 2 the Commissioner may serve a notice upon such dealer requiring him to furnish within such period as may be specified in the notice, a return in the manner and form in which a return under section 15 is furnished.

(4) [The transferee shall, within ninety days of such transfer, apply for registration under section 9 and thereafter all the provisions of this Act shall apply to such transferee.]¹

Liability of guardian and trustees, etc.—26. Where the business in respect of which tax is payable under this Act is carried on by, or is in charge of, any guardian, trustee or agent of a minor or other incapacitated person on behalf of, and for the benefit of, such minor or other incapacitated person, the tax shall be levied upon and recoverable from such guardian, trustee or agent as the case may be, in like manner and to the same extent as it would be leviable upon and recoverable from any such minor or other incapacitated person, if he were of full age and sound mind and if he was conducting the business himself; and all the provisions of this Act shall apply accordingly.

Liability of Courts of Wards, etc.—27. Where the estate or any portion thereof of a dealer owning a business in respect of which tax is payable under this Act is under the control of the Court of Wards, the Administrator-General, the Official Trustee or any Receiver or Manager (including any person, whatever his designation, who in fact manages the business) appointed by, or under any order of a Court of Wards, Administrator-General, Official Trustee, Receiver or manager in like manner and to the same extent as it would be leviable upon and recoverable from the dealer if he was conducting the business himself; and all the provisions of this Act shall apply accordingly.

Liability of Agent of Non-resident—28. Where the business in respect of which tax is payable under this Act is owned by a non-resident person, the tax shall be levied upon and recoverable from the agent of such non-resident person in like manner and to the same extent as it would be leviable upon and recoverable from the owner if he was resident in the State and conducting the business therein; and all the provisions of this Act shall apply accordingly.

Liability in case of discontinued firm or association.—29. Where business carried on by a firm or an association of persons, other than a company as defined in the Indian Companies Act, 1956 and in respect of which tax is payable under this Act, is discontinued or the association of

1. Inserted *vide* Nagaland Act 3 of 1971.

persons is dissolved, the tax shall be levied upon and recovered from jointly and severally, every person who at the time of such discontinuance of dissolution as a partner of such firm or member of such association ; and all the provisions of the Act shall apply accordingly.

Liability to tax on cancellation of certificate or dissolution of a firm or association.—30. (1) When a certificate of registration is cancelled under sub-section (3) of section 12 in any case other than that of a dissolution of a firm or association of persons, the dealer shall be liable to pay tax on his stock of goods remaining unsold at the time of cancellation of the certificate and all the provisions of this Act, shall apply accordingly.

(2) In case of dissolution of a firm or association of persons, the tax on the stock of goods remaining unsold at the time of such dissolution, shall be levied upon and recovered from, jointly and severally every person who at the time of such dissolution was a partner of such firm or members of such association ; and all the provisions of this Act, shall apply accordingly.

Appeal.—31 (1) Any dealer objecting to an order of assessment or penalty passed under this Act, may, within thirty days from the date of the service of such order appeal to the prescribed authority, against such assessment of penalty :

Provided that no appeal shall be entertained by the said authority unless he is satisfied that the amount of tax assessed or the penalty levied, if not otherwise directed by him, has been paid :

Provided further that the authority before whom the appeal is filed may admit it after the expiration of thirty days, if such authority is satisfied that for reasons beyond the control of the appellant or for any other sufficient cause it could not be filed within time.

(2) Every appeal under sub-section (1) shall be presented in the prescribed form and shall be verified in the prescribed manner.

(3) The appellate authority shall fix a day and place for hearing of the appeal, and may from time to time, adjourn the hearing and make, or cause to made, such further enquiry as may be deemed necessary.

(4) In disposing of an appeal under sub-section (1) the Appellate Authority may—

- (a) confirm, reduce, enhance or annul the assessment, or
- (b) set aside the assessment and direct a fresh assessment after such enquiry as may be ordered, or
- (c) confirm, reduce or annul the order of penalty.

Revision by Commissioner.—32. (1) The Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any person appointed under section 3 to assist him is erroneous in so far as it is prejudicial to the interests of the revenue, he may, after giving the dealer an opportunity of being heard and after making or causing to be made such enquiry as he deems necessary, pass such orders thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment, and directing a fresh assessment.

(2) In the case of any order other than an order to which sub-section (1) applies passed by any person appointed under section 3 to assist him, the Commissioner may, either of his own motion or on a petition, by a dealer for revision, call for the record of any proceeding under this Act in which any such order has been passed and may make such enquiry or cause such enquiry to be made, and subject to the provisions of this Act, may pass such order thereon, not being an order prejudicial to the dealer as he thinks fit.

(3) In the case of a petition for revision under sub-section (2) by a dealer, the petition must be made within ninety days from the date on which the order in question was communicated to him or the date on which he otherwise came to know of it, whichever is earlier :

Provided that the Commissioner before whom the petition is filed may admit it after the expiration of the period of ninety days if he is satisfied that for reasons beyond the control of the petitioner or for any other sufficient cause, it could not be filed within time.

(4) The Commissioner shall not revise any order under this section in the following cases :—

- (a) Where an appeal against the order lies under section 31 or section 33 but has not been made and the time within which such appeal may be made has not expired ; or

- (b) Where the order is pending on appeal under section 31 or section 33.

Explanation :—An order by the Commissioner declining to interfere shall, for the purpose of this section, be deemed not to be an order prejudicial to the dealer.

Appeal to State Government.—33. (1) Any dealer by an order passed in appeal under section 31 or passed in revision under sub-section (1) of section 32 may appeal to the State Government within sixty days of the date on which such order is communicated to him.

(2) The State Government may admit an appeal after the expiration of the sixty days referred to in sub-section (1) if it is satisfied that for reasons beyond the control of the appellate or for any other sufficient cause it could not be filed within time.

(3) An appeal to the State Government shall be in the prescribed form and shall be verified in the prescribed manner, and shall be accompanied by a fee of twentyfive rupees.

(4) The State Government may, after giving the dealer an opportunity of being heard, pass such orders thereon as it thinks fit, and shall communicate any such orders to the dealer and to the Commissioner.

Reference.—34. (1) Within sixty days from the date of service of any order under section 33, the dealer may, by petition in writing, require the State Government to refer to the High Court any question of law arising out of such order of the State Government or the State Government may make such reference out of its own motion. Where the petition is made by a dealer it shall be accompanied by a fee of one hundred rupees.

(2) Within sixty days of the receipt of the petition under sub-section (1), the State Government shall, subject to the provisions in sub-section (3), draw up, after such hearing and enquiry as may be considered necessary, a statement of the case and refer it with its opinion thereon to the High Court.

(3) The State Government may reject the application under sub-section (1) and refuse to state the case on the ground that it is time barred or

otherwise incompetent, or that no question of law arises and the applicant may, within thirty days of such refusal withdraw the application and if he does so, the fee paid shall be refunded.

(4) Where the application under sub-section (1) is rejected on the ground that no question of law arises and where no action is taken by the applicant under sub-section (3), he may, within ninety days from the date of such rejection, apply to the High Court against the order rejecting the application, and if, upon receipt of such an application, the High Court is not satisfied with the correctness of the decision, it may require the State Government to state the case and refer it and, on receipt of any such requisition, the State Government shall state and refer case accordingly.

(5) Where the application under sub-section (1) is rejected on the ground that it is time barred and where no action is taken by the applicant under sub-section (3) he may, within ninety days of the date of such rejection, apply to High Court against the order rejecting the application and if, upon receipt of such an application the High Court is not satisfied with the correctness of the decision it may require the State Government to treat the application under sub-section (1) as made within time.

(6) Where the High Court is not satisfied that the statement in a case referred under this section is sufficient to enable it to determine the questions of law raised thereby, it may refer the case back to the State Government to make such additions thereof or such alterations therein as may be directed and the State Government shall thereupon comply, with the directions and re-submit the case accordingly.

(7) The High Court upon the hearing of any such case shall decide the question of law raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded, and shall send to the State Government a copy of such judgment under the seal of the Court and signature of the Registrar, and the State Government shall, on receipt of the copy of the judgment, order disposal of the case accordingly.

(8) Where a reference is made on the application of a dealer the costs shall be in the discretion of the High Court.

(9) Notwithstanding that a reference has been made under this section to the High Court, payment of tax shall not be stayed pending

disposal of such reference; but where the amount of tax is reduced as the result of the reference, excess shall be refunded in accordance with the provisions of this Act.

(10) Section 5 of the Indian Limitation Act, 1908, (IX of 1908) shall apply to an application to the High Court by dealer under this section.

Notice of demand.—35. When any tax or penalty or other dues is or are payable in consequence of any order passed under or in pursuance of this Act, the Commissioner shall serve upon the persons liable to pay such tax or penalty or other dues a notice of demand in the prescribed form specifying the sum so payable.

Tax when payable.—36. (1) Tax payable under this Act shall be paid in the manner hereinafter provided.

(2) Before any registered dealer furnishes the return required by sub-section (1) of section 15, he shall in the prescribed manner, pay into a Government Treasury the full amount of tax due from him under this Act on the basis of such returns, and shall furnish along with the returns a receipt from such treasury in token of payment of such tax.

(3) Where a revised return is submitted by a registered dealer under sub-section (3) of section 15 and if the revised return shows a greater amount of tax to be due than was payable on the basis of the original return, the dealer shall pay the excess amount of tax in the manner provided in sub-section 2, and shall furnish along with the revised return a receipt in token of payment of such excess tax.

(4) The amount of the tax due under provision of this Act—

(a) in excess of payment already made under sub-section (2) and (3), or

(b) Where no payment has been made, shall be paid by the dealer by such date as may be specified in the notice of demand and, where no such date is specified it shall be paid within thirty days from the date of service of the notice.

Correction of Tax by dealers.—37. No person who is not a registered dealer shall realise any amount by way of tax under this Act on

sales of goods from the purchasers. Without prejudice to the provisions of sub-section (2) of section 42, the amount realised by any person as tax on sales of any goods shall, notwithstanding anything contained in any other provision of this Act, be deposited by him in a Government Treasury within such period as may be prescribed, if the amount payable as tax in respect of those sales or if no tax is payable in respect thereof, and in default of such payment, double the amount shall be recovered as a public demand under the Bengal Public Demands Recovery Act, 1913. (3 of 1913)

Other dues when payable.—38. Any dues, other than the amount of tax payable under this Act shall be paid by the person concerned by such date as may be specified, in the notice of demand and where no such date is specified, it shall be paid within thirty days from the date of the service of the Notice.

Mode of recovery.—39. (1) If the demand in respect of any dues under this Act is not paid on or before the date specified as aforesaid the dealer shall be deemed to be in default:

Provided that the Commissioner may, in respect of any particular dealer and for reasons to be recorded in writing, extend the date of payment of the dues or allow such dealer to pay the same by instalments and in that case the dealer shall not be deemed to be in default.

(2) Where a dealer is in default, the Commissioner may, in his discretion, direct that, in addition to the amount due, a sum not exceeding that amount shall be recovered from the defaulter by way of penalty.

(3) Where a dealer is in default, the Commissioner may order that the amount due shall be recoverable as a public demand under the Bengal Public Demands Recovery Act, 1913 and may proceed to realise the such amount due.

Refund.—40. The Commissioner shall, in the prescribed manner refund to a dealer any sum paid by such dealer in excess of the sum due from him under this Act, either by cash payment or at the option of the dealer by set off against the sum due from him in respect of any other period.

Remission.—41. The State Government, for reasons to be recorded in writing may remit the whole or part of the amount of the tax or penalty

payable in respect of any period by any registered dealer who has suffered heavy loss due to any natural calamity.

Offences and penalties.—42. Whoever :—

- (1) carries on business as a dealer or acts in contravention of any of the provisions of this Act ; or
- (2) fails, without reasonable cause, to submit in due time any return as required by or under the provisions of this Act, or submits a false return ; or
- (3) being a registered dealer, falsely represents, when purchasing any class of goods that goods of such class are covered by his certificate of registration ; or
- (4) not being a registered dealer, falsely represents when purchasing goods, that he is a registered dealer ; or
- (5) fails, when required by or under the provisions of this Act, to keep accounts or records of sales ; or
- (6) fails, where required by or under the provisions of this Act, to produce any accounts, evidence or documents or to furnish any information ; or
- (7) fails or neglects to comply with any requirement made of him under the provisions of this Act ; or
- (8) knowingly produces incorrect accounts, registers or documents or, knowingly furnishes incorrect information ; or
- (9) fraudulently or wilfully evades the payment of any tax due under this Act or conceals his liability to such tax ; or
- (10) fails to pay within the time allowed any tax assessed or any penalty levied on him ; or
- (11) prevents or obstructs inspection or entry by any officer acting under the provisions of this Act ; or

- (12) prevents or obstruct any officer in charge of a checkpoint or barrier from making any entry or inspection of goods or in intercepting, detaining or searching any vehicle carrying goods ; or
- (13) demands or charges from any purchaser sales tax as such on the sales of any goods exempted under section 7 and section 8 or under any notification issued thereunder or at a rate higher than payable under the provisions of this Act;

shall, on conviction before a magistrate and in addition of any tax or penalty or both that may be due from him, be punishable with imprisonment which may extend to six month or with fine not exceeding one thousand rupees or with both, and when the offence is a continuing one with a daily fine not exceeding fifty rupees during the period of the continuance of the offence.

False statement in declaration.—43. Whoever makes a statement in a verification or declaration in connection with any proceedings under this Act which is false, and which he either knows or believe to be false, or does not believe to be true, shall on conviction before a Magistrate, be punishable with simple imprisonment which may extend to six months or with fine which may extend to one thousand rupees, or with both.

Cognizance of offences.—44. (1) No Court shall take cognizance of any offence under this Act or under the rule made thereunder except with the previous sanction of the Commissioner, and no Court inferior to that of a Magistrate of the first class shall try any such offence.

(2) All offences punishable under this Act shall be cognizable and bailable.

Composition of offences.—45. (1) Subject to such conditions as may be prescribed, the Commissioner may, either before or after institution of criminal proceedings under this Act, accept from the person who has committed or is reasonably suspected of having committed an offence under this Act or the rules made thereunder, by way of composition of such offence.

- (a) where the offence consists of the failure to pay, or the evasion of any tax recoverable under this Act in addition to the tax so recoverable, a sum of money not exceeding one thousand

rupees or double the amount of the tax recoverable, whichever is greater, and

(b) in any other case a sum of money not exceeding one thousand rupees in addition to the tax recoverable.

(2) On payment of such sum as may be determined by the Commissioner under sub-section (1) no further proceeding shall be taken against the person concerned in respect of the same offence.

Disclosure of information by a public servant.—46. (1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any evidence given or affidavit or deposition made in the course of any proceedings under this Act other than proceedings before a Criminal Court or in any record of any proceedings under this Act, shall, save as provided in sub-section (3), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872, no Court shall, save as aforesaid, be entitled to require any public servant to produce before it any such statement, return, accounts, document or record or any part thereof, or to give evidence before it in respect thereof.

(2) If, save as provided in sub-section (3), a public servant discloses any of the particulars referred to in sub-section (1), he shall be punishable with imprisonment which may extend to six months and shall also be liable to fine.

(3) Nothing in this section shall apply to the disclosure—

(a) of any of the particulars referred to in sub-section (1) for the purpose of a prosecution under the Indian Penal Code, 1860, or the Prevention of Corruption Act, 1947 in respect of any such statement, return, accounts, documents or evidence or for the purposes of a prosecution under this Act, or

(b) of such facts, to an officer of the Central Government as may be necessary for the purpose of enabling that Government to levy or realise and tax imposed by it, or

(c) of such facts, to any officer of this or any other State Government

as may be necessary for the purpose of enabling such officer to levy or realise any tax imposed by that Government.

Maintenance and preservation of accounts.—47. (1) Every registered dealer or other dealer on whom a notice has been served to furnish returns under sub-section (2) of section 15, shall keep a true account of the goods bought and sold by him, and if the accounts, maintained in the ordinary course do not, in the opinion of the Commissioner, enable him to apply a proper check on the returns furnished under the provisions of this Act, he may by notice in writing, require such dealer to keep such accounts (including records of sales) in such form as he may, subject to anything that may be prescribed direct.

(2) Accounts referred to in sub-section (1) together with all vouchers relating to stocks, delivery, purchases, output, and sales shall be preserved for such period as may be prescribed.

Owner to order production of accounts and power of entry and inspection.—48. (1) Subject to such conditions and restrictions as may be prescribed, the Commissioner may, for the purposes of this Act, require any dealer to produce before him any accounts, registers or documents, and to furnish any information relating to the stocks of goods of or purchases, sales and deliveries of goods, by the dealer.

(2) All accounts, registers and other documents relating to the stocks of goods of, or purchases, sales or deliveries of goods by, any dealer, the goods in his possession and his offices, shops, godowns and vehicles shall, at reasonable times, be open to inspection by the Commissioner.

(3) If the Commissioner has reason to suspect that any dealer is attempting to evade payment of any tax under this Act, he may, for reasons to be recorded in writing seize such accounts, registers or documents of the dealer as may be necessary, and shall grant a receipt for the same, and shall retain the same only for so long as may be necessary for the purposes of this Act.

(4) The Commissioner may, for the purposes of the sub-section (2) or sub-section (3), enter and search any such place as is mentioned in sub-section (2) on the authority of a search warrant issued by a Magistrate.

(5) The provisions of section 102 and section 103 of the Code of Criminal Procedure, 1898, shall, so far as may be, apply to searchers under sub-section (4).

Power to call for information.—49 The Commissioner may, for the purposes of this Act ;

(1) require any firm or association of persons or Hindu undivided or joint family to furnish him with a statement of the names and addresses of the members of the firm or association or of the names and addresses of the manager and members of the family, as the case may be ;

(2) require any person whom he has reason to believe to be a trustee, guardian, manager or agent to furnish him with a statement of the names of persons with their addresses for or of whom he is a trustee, guardian, manager or agent ;

(3) require any person whom he has reason to believe to have obtained goods from outside the State to furnish him with statement of the names of the persons with their addresses from whom he has obtained the goods and of the names and prices of goods obtained ;

(4) require any person whom he has reason to believe to have despatched goods to any place outside the State to furnish him with a statement of the names of persons with their addresses to whom he has despatched the goods and of the names and prices of goods despatched.

(5) require any person, including a Banking Company or any officer thereof, to furnish any such particulars in respect of the transactions of any dealer with such bank, which during the course of its business handles or transport goods liable to tax under this Act.

Bar of suits in Civil Court and Indemnity.—50. No suit shall be brought in any Civil Court, to set aside or modify any assessment made or order passed under the provisions of this Act, and no prosecution, suit or other proceeding shall lie against any officer of the Government or anything in good faith done or intended to be done under this Act or the rule made thereunder.

Power to take evidence on oath, etc.—51. The Commissioner shall, for the purposes of this Act have the same powers as are vested in a

Deputy Commissioner under the Rules for the Administration of Justice and Police in the Naga Hills District, 1937, when trying a suit, in respect of the following matters—

(1) enforcing the attendance of any person and examining him on oath or affirmation ;

(2) compelling the production of document ;

(3) issuing commissions for the examination of witness, and any such proceeding before the Commissioner shall be deemed to be a "Judicial proceeding" within the meaning of sections 193 and 228 and for the purposes of section 196 of Indian Penal Code, 1960, (XLV of 1860).

Computation of the period of limitation.—52. In computing the period of limitation prescribed for an appeal or a revision or references, the day on which the order complained of was made and the time requisite for obtaining a copy of such order, shall be excluded.

Information to be furnished regarding change of business.—53.

(1) If any dealer to whom the provisions of section 15 apply—

(a) sells or otherwise transfers or disposes of his business or any part thereof ; or

(b) discontinues his business or changes his place of business or opens a new place of business ; or

(c) changes the name or nature of his business ; he shall, within such period as may be prescribed inform the authority accordingly.

(2) Where any dealer as aforesaid dies, his successor or legal representative shall furnish the information in the like manner.

Service of notices.—54. (1) A notice or requisition under this Act may be served on person therein named either by post or, as if it were a summons issued by a Court.

(2) Any such notice or requisition may, in the case of a firm or Hindu undivided or joint family, be addressed to any member of the firm

to the manager, or any adult member of the family and, in the case of any other association of persons be addressed to the principal officer thereof.

Delegation of Commissioner's powers.—55. The Commissioner may, subject to such restrictions and conditions as may be prescribed, delegate by notification in the Official Gazette, any of his powers under section 3 to assist him.

Power to remove difficulties.—56. If any difficulty arises in giving effect to the provisions of this Act, the State Government, may, as occasion may require, by order do anything, not inconsistent with the purposes of this Act, as appear to them to be necessary or expedient for removing the difficulty.

Power to make rules.—57. (1) The State Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may in particular, prescribe—

(a) all matters expressly required or allowed by this Act to be prescribed;

(b) the classes and duties of officers appointed for the purpose of enforcing the provisions of this Act;

(c) the procedure to be followed and the forms to be adopted in proceedings under this Act;

(d) the proportion referred to in sub-clause (b) of clause (12) of section 2;

(e) the intervals at which, and the manner in which, the tax under this Act shall be payable;

(f) the dates by which, and the authority to which returns shall be furnished;

(g) the manner in which refunds shall be made;

(h) the classes of and the authority for determination and settlement of disputes;

- (i) the fees for reference, revision or appeal petitions, supply of certified copies of order and other matters; and
- (j) any other matter which is required to be or may be prescribed.

(3) In making any rule the State Government may direct that a breach thereof shall be punishable with fine not exceeding five hundred rupees, and when the offence is a continuing one, with a daily fine not exceeding twentyfive rupees during the continuance of the offence.

(4) Every rule made under this section shall be laid, as soon as may be after it is made, before the Nagaland Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following the Nagaland Legislative Assembly agree in making any modification in the rule or the Nagaland Legislative Assembly agree that the rule should not be made, the rule 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.

Refund on Inter-State Trade—58. Notwithstanding anything contained in the Act, where a tax has been levied in respect of the sale inside the State of any declared goods and such goods are sold in the course of inter-State trade or commerce, the tax so levied shall be refunded.

Erection of check Posts.—59. (1) The State Government may, by notification set up and erect, in such manner as may be prescribed, check posts and barriers at any place in the State with a view to preventing the evasion of tax payable under this Act.

(2) Every person transporting goods shall, at any check post or barrier, set up and erected in accordance with sub-section (1) and before crossing such check post or barrier, file before the officer-in-charge of the check post or barrier, if so directed by him, a correct and complete declaration of the goods in such form and in such manner as may be prescribed.

(3) The officer-in-charge of the check post or barrier may for the purpose of satisfying himself that the provisions of sub-section (2) are not

being contravened and subject to such restriction as may be prescribed intercept, detain and search any vehicle which may be suspected of being used for contravening such provisions.

Repeal.—60. *The Assam Sales Tax Act 1947 (Assam Act XVII of 1947) as extended to Nagaland shall stand repealed :*

Provided that such repeal shall not affect—

- (a) the previous operation of the said Act or any thing duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid :

Provided further that anything done or any action taken (including any appointment or delegation made, instruction or direction made, certificate or registration granted) under the Act hereby repealed shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under this Act.

[Repeal and Savings.—61. *(1) The Nagaland Finance (Sales Tax) Act, 1967 (Act X of 1967) (hereinafter referred to as the said Act) is hereby repealed :*

Provided that such repeal shall not affect ;

- (a) the previous operation of the said Act or anything duly done or suffered thereunder ; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act ; or

- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act ; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid :

Provided further that anything done or any action taken (including any appointment or delegation made, instruction or direction made, certificate or registration granted) under the Act hereby repealed shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under this Act.

(2) Notwithstanding the repeal of the said Act by this section, the operation of the said Act before repeal for the purpose of levy, assessment and collection of sales tax shall continue to be dealt with under the said Act, as if said Act had not been repealed.

(3) The mention of particular matters in this section shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 (Act X 1897) with regard to the effect of repeal.]¹

*** SCHEDULE I¹**

(See Section 5)

A.—Goods taxable at 10 (ten) paise in the rupee.

Sl. No.	Name of taxable goods
1.	All Arms including rifles, revolvers, pistols and ammunition for the same.
2.	All clocks, time-pieces and watches and parts thereof.
3.	Articles made of or inlaid with ivory.

¹ Inserted *vide* Nagaland Act 3 of 1971.

* Substituted *vide* Nagaland Act 3 of 1971.

4. Binoculars, telescopes and opera glasses.
5. Carpets including durries.
6. Cigarette cases and lighters.
7. Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, lenses, films and parts or accessories required for use therewith.
8. Dictaphones and other similar apparatus for recording sound and spare parts thereof.
9. Electroplated nickel or silver or german silver goods.
10. Foam rubber products.
11. Gramophones and component parts thereof and records.
12. Iron and steel safes and almirahs.
13. Motor cycles and motor cycles combinations, motor scooters, mortorettes.
14. Motor vehicles, including chassis of motor vehicles.
15. Perambulators.
16. Photographic and other cameras and enlargers, lenses, films and plates, paper and cloth and other parts and accessories required for use therewith.
17. Precious stones including diamonds, emeralds, rubies, real pearls and sapphires, synthetic or artificial precious stones, pearls, artificial or cultured.
18. Refrigerators and air conditioning plants and component parts thereof.
19. Stainless steel products.
20. Sound transmitting equipment including telephones and loud speakers and spare parts thereof.

21. Typewriters, tabulating machines, calculating machines and duplicating machines and parts thereof.
22. Upholstered furniture, sofa sets, dressing tables and furniture of all types made of timber, iron or steel, except items 43 to 46 of Schedule II.
23. Wireless reception instruments and apparatus, radios and radio gramophones, electrical valves, accumulators, amplifiers and loud speakers and spare parts and accessories thereof.

B.—Goods taxable at 7 (seven) piase in the rupee.

1. All electrical goods, instruments, apparatus, appliances and all such articles the use of which cannot be had except with the application of electrical energy, including fans, lighting bulbs, electrical earthenwares and porcelain and all other accessories and component parts either sold as whole or in parts.
2. All machineries and spare parts thereof (including spare parts of motor vehicles, motor cycles, motor scooters and motorettes but excluding sewing machines and spare parts thereof) not listed separately in this schedule.
3. Bicycles, tricycles, rickshaws and cycles combinations and accessories and parts thereof.
4. Cosmetics including scents, perfumes, powders, snows, hair oils, scented sticks, and other toilet requisites.
5. Crockery and cutlery, including knives, forks, spoons and articles made of glass, china porcelain or glazed earthenware adopted for domestic use.
6. Glassware, bottles and phials, funnels, glass parts of lamps, sheets and plates, photo and other frames and mirrors.
7. "Ladies' hand bags and other types of vanity bags.
8. Paints, colours, lacquers, and varnishes including glue, polish, turpentine, enamels and indigo and brush and sand paper.
9. Plastic, celluloid and bakelite goods.

10. Rubber products excluding foot-wear but including tyres and tubes.

11. Vacuum flasks of all kinds.

C.—Goods taxable at 3 (Three) paise in the rupee.
Declared goods.

D.—Goods taxable at 1 (one) paise in the rupee.
Ready-made garments.

E.—Goods taxable at 5 (Five) paise in the rupee.

"All other goods not mentioned elsewhere in this Schedule".

* SCHEDULE II¹

(See Section 8)

Sl. No.	Description of exempted articles.	Conditions and exceptions subject to which exemption has been allowed.
1.	All cereals, pulses and rice including broken rice, parched (beaten) and puffed rice.	
2.	(a) Plough, plough points, spade (kodali), sickle, khurpi, axe, khanda (for digging holes in the soil) and dao. (b) Other hand tools used for agricultural purposes.	When sale price does not exceed Rs. 20/- (Twenty) a piece.
3.	Books, periodicals and newspapers.	

* Substituted *vide* Nagaland Act 3 of 1971.

4. Bread.
5. Betelnuts and pan leaves.
6. Cotton including waste cotton.
7. Electrical energy.
8. Fertilizers, viz.
 - (a) All Chemical fertilizers
 - (b) Bone meal
 - (c) Oil cakes
9. Fish, eggs, ghee (but not vegetable ghee), dehi, butter, cream, casein, meat and vegetables (but not onion, garlic, spices and condiments)
10. Flour including atta, maida, suji and bran.
11. Fresh fruits.
12. Gur and molasses.
13. (i) Antimalarial drugs viz. quinine in powder form, quinine pills (but not sugar coated), quinine alkaloids, salts of quinine, cinchona and its alkaloids, tataric acid, cinchona forifuge and drugs of the 4 aminoquinoline group such as chloroquine and its salts, amodiaquine and its salts whether in

Except when sold in sealed containers.

solution or in powder or in tablet form, proguanil and its salts and pyrimethamine.

(ii) Anti-kala-azar drugs, viz. Urea Stibamine and Pentamidine Isethioate.

(iii) Vaccine, viz. Small-pox vaccine, Cholera vaccine and T.A.B.

14. Mustard oil, rape oil and mixtures of mustard and rape oils.

15. Mustard seed and rape seed.

16. Sago.

17. Salt.

18. Water (other than distilled, aerated or mineral water).

19. Milk.

Except when sold in sealed containers.

20. Firewood.

21. Mathematical instruments for students.

22. (a) Sales to the Canteen Stores Department (India) of goods certified by it as being intended for being sold directly or through Canteens to members of the Armed Forces of India at

prices fixed by the Government of India.

(b) Sales by the Canteen Stores Department (India) to dealers certified by the Department to be Canteen Contractors or to the Unit Canteens run by the Officers of the Armed Forces of India of goods which are intended for being sold to members of the Armed Forces of India at prices fixed by the Government of India.

(c) Sales by dealers certified by the Canteen Stores Department (India) to be Canteen Contractors of goods obtained by such dealers from the said Canteen Stores Department (India) to members of the Armed Forces of India at prices fixed by the Government of India.

(d) Sales by Unit Canteens run by Officers of the Armed Forces of India of goods obtained by such Unit Canteens from the Canteen Stores Department (India), to members of the Armed Forces of India at prices fixed by the Government of India.

(e) Sales by the Canteen Stores Department (India) to members of the Armed Forces of India, at prices fixed by the Government of India.

23. Slate and Slate pencils.
24. Pencils, paper, blotting paper, ink, inkpot, penholder, nib, and eraser purchased for use by students.
25. Scale, colour box, painting box, school-map, exercise book and drawing book.
26. Grass used as Cattle fodder only.
27. Handspun cotton yarn.
28. Handloom cloth woven out of handspun cotton yarn.
29. Mill-made cotton yarn excluding sewing thread.
30. All varieties of textiles, namely :—

Cotton, woollen or silken including rayon, art silk or nylon whether manufactured by hand-loom, power-loom or otherwise.
31. Sugar.
32. Tobacco and all its products.

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|---|---|
| <p>33. Ayurvedic medicines other than patent drugs or sold under registered trade mark.</p> | |
| <p>34. Raw jute.</p> | |
| <p>35. Sugarcane.</p> | |
| <p>36. Khadi and/or products of village industries as defined in the Khadi and Village Industries Commission's Act, 1956.</p> | <p>When sold by a producer and/or organisation certified for the purpose by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission's Act, 1956 or the Statutory State Khadi and Village Industries Board constituted under the Act of the State.</p> |
| <p>37. Nirodh (Condoms).</p> | |
| <p>38. Sales to Red Cross Society and its allied organisations.</p> | |
| <p>39. Pesticides.</p> | |
| <p>40. Gunny bags.</p> | <p>When used as containers of goods sold.</p> |
| <p>41. Livestock and poultry.</p> | |
| <p>42. Sales of goods by Government departments at or below purchase price.</p> | <p>When sold in connection with approved development schemes.</p> |
| <p>43. Wooden table.</p> | <p>When sale price does not exceed rupees fifty a piece.</p> |

NAGALAND CODE

44. Wooden chair.

45. Wooden bench.

46. Wooden bedstead.

NAGALAND ACT 11 OF 1967

When sale price does not exceed rupees thirty a piece.

When sale price does not exceed rupees thirty a piece.

When sale price does not exceed rupees eighty a piece."

—0—

THE NAGALAND SALES TAX (AMENDMENT) ACT, 1970

(THE NAGALAND ACT NO. 3 OF 1971)

(Received the assent of the Governor on the 23rd January 1971 and published in the Nagaland Gazette Extra Ordinary dated 13th February, 1971)

An

Act

to amend the Nagaland Sales Tax Act, 1967 and to consolidate the law on Sales Tax in Nagaland.

Preamble.

Whereas it is expedient to amend the Nagaland Sales Tax Act, 1967 (Act No. 2 of 1967) and to consolidate the law on sales tax in Nagaland in the manner hereinafter appearing.

It is hereby enacted in the Twenty first year of the Republic of India as follows :—

1. Short title, extent and commencement.

- (1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1970.
- (2) It extends to the whole of Nagaland.
- (3) It shall come into force on such date as the State Government may, by notification in the official Gazette appoint, and different dates, may be appointed for different provision of this Act or for different areas.

2. Amendment of Section 6.

In the Nagaland Sales Tax Act, 1967 (hereinafter referred to as the Principal Act) Section shall be renumbered as sub-section (1) thereof and after sub-section (1) as so the following sub-section shall be inserted, namely :—

“(2) Where the total tax payable by a dealer as per sub-section (1) contains fraction of a rupee :

- (a) in case the fraction is below 50 (fifty) paise is shall be omitted.
- (b) in case the fraction is 50 (fifty) paise and above it shall be rounded to the next higher rupee.

3. Amendment of Section 7.

In section 7 of the Principal Act, sub-section (2) shall be omitted (Act No. 11 of 1967).

4. Amendment of Section 12.

To sub-section (2) of Section 12 of the Principal Act, the following proviso shall be added namely :—

“Provided that no action under this sub-section shall be taken unless the Commissioner has given notice to the dealer of his intention so to do and has allowed him a reasonable opportunity of being heard”.

5. Amendment of Section 14.

In sub-section (3) of section 14 of the principal Act, after item (a) the following item shall be inserted, namely :—

“(aa) goods taxed at the rate of seven paise in the rupee (6.54 per centum)”

6. Amendment of Section 15.

In sub-section (2) of section 15 of the principal Act, for the words “in the year” the words “at any time within eight years of the end of the aforesaid period” shall be substituted.

7. Amendment of Section 17.

In section 17 of the principal Act for the words “date of issue,” the words “date of service” shall be substituted.

8. Amendment of Section 18.

In section 18 of the principal Act, after the proviso, the following further proviso, shall be added, namely :—

“Provided further that before, making an assessment under this section, the Commissioner shall give notice to the dealer of his intention so to do and allowed him a reasonable opportunity of being heard”.

9. Amendment of Section 19.

In sub-section (1) of section 19 of the principal Act, after the proviso, the following further proviso shall be inserted, namely :—

“Provided further that before making an assessment under this subsection, the Commissioner shall give notice to the dealer of his intention so to do and allow him a reasonable opportunity of being heard.”

10. Amendment of Section 25.

In Section 25 of the principal Act after sub-section (3) the following sub-section shall be inserted, namely :—

“(4) The transferee shall, within ninety days of such transfer, apply for registration under section 9 and thereafter all the provisions of this Act shall apply of such transferee.”

11. Insertion of Section 61.

After section 60 of the principal Act, the following section shall be inserted, namely :

Repeal and Savings.

61. (1) The Nagaland Finance (Sales Tax) Act, 1967 (Act X of 1967) (hereinafter referred to as the Principal Act) is hereby repealed :—

Provided that such repeal shall not effect

- (a) the previous operation of the said Act or anything duly done or suffered thereunder; or
- (b) any right, privilege obligation or liability acquired accrued or incurred under the said Act; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid :

Provided further that anything done or any action taken (including any appointment or delegation made, instruction or direction made, certificate of registration granted) under the Act hereby repealed shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under this Act.

- (2) Notwithstanding the repeal of the said Act by this section, the operation of the said Act before repeal for the purpose of levy, assessment and collection of Sales tax shall continue to be dealt with under the said Act, as if the said Act had not been repealed.
- (3) The mention of particular matters in this section shall not be held to prejudice or effect the general application of section 6 of the General Clauses Act, 1897, (Act X of 1897) with regard to the effect of repeal.

12. Substitution of Schedule I & Schedule II.

For Schedule I and Schedule II of the principal Act the following schedules shall be substituted namely :-

SCHEDULE-I

(See Section 5)

A. Goods taxable at 10 (ten) paise in the rupee

Sl. No.	Name of taxable goods
1.	All Arms including rifles, revolvers, pistols and ammunition for the same.
2.	All clocks, time-pieces and watches and parts thereof.
3.	Articles made of or inlaid with ivory.
4.	Binoculars, telescopes and opera glasses.
5.	Carpets including durries.
6.	Cigarette cases and lighters.
7.	Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, lenses, films and Parts or accessories required for use therewith.
8.	Dictaphones and other similar apparatus for recording sound and spare parts thereof.
9.	Electroplated nickel or silver or german silver goods.
10.	Foam rubber products.
11.	Gramophones and component parts thereof and records.
12.	Iron and Steel safes and almirahs.
13.	Motor cycle and motor cycle combinations, motor scooters, motorettes.
14.	Motor vehicles, including chassis of motor vehicles.
15.	Perambulators.
16.	Photographic and other cameras and enlargers, lenses, films and plates paper and cloth and other parts and accessories required for use therewith.
17.	Precious stones including, diamonds, emeralds, rubies, real-pearls sapphires, synthetic or artificial precious stones, pearls, artificial or cultured.

18. Refrigerators and air conditioning plants and component parts thereof.
19. Stainless steel products.
20. Sound transmitting equipment including telephones and loud-speakers and spare parts thereof.
21. Typewriters, tabulating machines, calculating machines and duplicating machines and parts thereof.
22. Upholstered furniture sofa sets, dressing tables, and furniture of all types made of timber, iron or steel, except items 43 to 46 of schedule II.
23. Wireless reception instruments and apparatus, radios and radio-gramophones, electrical valves, accumulators, amplifiers and loud speakers and spare parts and accessories thereof.

B. Goods taxable at 7 (Seven) paise in the rupee.

1. All electrical goods instruments, apparatus, appliances and all such articles the use of which cannot be had except with the application of electrical energy, including fans, lighting bulbs, electrical earthen wares and porcelain and all other accessories and component parts either sold as whole or in parts.
2. All machineries and spare parts thereof (including spare parts of motor vehicles, motor cycles, motor scooters and motorettes but excluding sewing machines and spare parts thereof) not listed separately in this schedule.
3. Bicycles, tricycles, rickshaws and cycle combinations and accessories and parts thereof.
4. Cosmetics including scents, perfumes, powders, snows, hair oils, scented sticks, and other toilet requisites.
5. Crockery and cutlery, including knives, forks, spoons and articles made of glass, china porcelain or glazed earthenware adapted for domestic use.
6. Glassware, bottles and phials, funnels, glass parts of lamps, sheets and plates, photo and other frames and mirrors.
7. Ladies hand bags and other types of vanity bags.
8. Paints, colours, lacquers, and varnishes including glue polish turpentine, enamels and indigo and brush and sand paper.
9. Plastic, celluloid and bakelite goods.
10. Rubber products excluding foot-wear but including tyres and tubes.

11. Vacuum flasks of all kinds :
- C. Goods taxable at 3 (Three) paise in the rupee.
Declared goods.
- D. Goods taxable at 1 (one) paise in the rupee.
Ready-made garments.
- E. Goods taxable at 5 (Five) paise in the rupee.
All other goods not mentioned elsewhere in this Schedule.

SCHEDULE-II

See Section (8)

Sl. No.	Description of articles	of exempted	Conditions and subject to which has been allowed	excep-tions exem-ption
(1)	(2)		(3)	(4)
1.	All cereals, pulses and rice including broken rice, parched (beatean) and puffed rice.			
2.	(a) Plough, plough points, spade (kodali) sickle, khurpi, axe, khanda (for digging holes in the soil) and dao.		when sale price does not exceed Rs. 20 (Twenty) a piece.	
3.	Books, periodicals and newspapers			
4.	Bread			
5.	Betelnuts and pan leaves			
6.	Cotton including waste cotton.			
7.	Electrical energy			
8.	Fertilizers viz. (a) All chemical fertilizers (b) Bone meal (c) Oil cakes			

(1)	(2)	(3)	(4)
9.	Fish, eggs, ghee (but not vegetable ghee), dahi, butter, cream, casein, meat and vegetables (but not onion) garlic, spices and condiments.	Except when sold in sealed containers.	
10.	Flour including atta, maida, suji and bran.		
11.	Fresh fruits		
12.	<i>Gur and molasses</i>		
13.	<p>(i) Antimalarial drugs, viz. quinine in powder form, quinine pills (but not sugar coated), quinine alkaloid, salts of quinine, cinchona and its alkaloids, tataquine, cinchona fobrifuge and drugs of the 4 aminoquinoline group such as chloroquine and its salts amodiaquine and its salts whether in solution or in powder or in tablet form, proguanil and its salts and pyrimethamine.</p> <p>(ii) Anti-kala-azar drugs, viz. Urea Stibamine and pentamidine Isethionate.</p> <p>(iii) Vaccine, viz. Small pox vaccine, Cholera vaccine and T.A.B.</p>		
14.	Mustard Oil rape oil and mixture of mustard and rape oils.		
15.	Mustard seed and rape seed		
16.	Sago		
17.	Salt		

(1)	(2)	(3)	(4)
18.	Water (other than distilled, aerated or mineral water).		
19.	Milk.	Except when sold in sealed containers.	
20.	Firewood		
21.	Mathematical instruments for students.		
22.	<p>(a) Sales to the Canteen Stores Department (India) of goods certified by it as being intended for being sold directly or through canteens to members of the Armed Forces of India at prices fixed by the Government of India.</p> <p>(b) Sales by the Canteen Stores Department (India) to dealers certified by the Department to be canteen contractors or to the Unit Canteens ran by the Officers of the Armed Forces of India of goods which are intended for being sold to members of the Armed Forces of India at prices fixed by the Government of India.</p> <p>(c) Sales by dealers certified by the Canteen Stores Department (India) to the Canteen Contractors of goods obtained by such dealers from the said Canteen Stores Department (India) to members of the Armed Forces of India at prices fixed by the Government of India.</p>		

(1)

(2)

(3)

(4)

- (d) Sales by Unit Canteens run by Officers of the Armed Forces of India of goods obtained by such unit canteens from the Canteen Stores Department (India), to members of the Armed Forces of India at prices fixed by the Government of India.
- (e) Sales by the Canteen Stores Department (India) to members of the Armed Forces of India, at prices fixed by the Government of India.
23. Slate and Slate pencils.
24. Pencils, paper, blotting paper, ink, inkpot, penholder, nib and eraser purchased for use by students.
25. Scale, colour box, painting box, School map, exercise book and drawing book.
26. Glass used as Cattle fodder only.
27. Handspun cotton yarn.
28. Handloom cloth woven out of handspun cotton yarn.
29. Mill-made cotton yarn excluding sewing thread.
30. All varieties of textiles, namely :—
Cotton, woollen or silken including rayon, art silk or nylon whether manufactured by handloom, power-loom or otherwise.

(1)	(2)	(3)	(4)
31.	Sugar.		
32.	Tobacco and all its products.		
33.	Ayurvedic medicines other than patent drugs or sold under registered trade mark.		
34.	Raw Jute.		
35.	Sugarcane.		
36.	Khadi and/or products of village Industries as defined in the Khadi and Village Industries Commission Act. 1956.	When sold by a producer and/or organisation certified for the purpose by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission's Act, 1956 or the Statutory State Khadi and Village Industries Board constituted under the Act of the State.	
37.	Nirodh (Condoms).		
38.	Sales to Red Cross society and its allied organisations.		
39.	Pesticides.		
40.	Gunny bags.	When used as containers of good sold.	

(1)	(2)	(3)	(4)
41.	Livestock and poultry.		
42.	Sales of goods by Government departments at or below purchase price.	When sold in connection with approved development schemes.	
43.	Wooden table	When sale price does not exceed rupees fifty a piece.	
44.	Wooden chair	When sale price does not exceed rupees thirty a piece.	
45.	Wooden bench	When sale price does not exceed rupees thirty a piece.	
46.	Wooden bedstead	When sale price does not exceed rupees eighty a piece.	

THE NAGALAND SALES TAX (AMENDMENT) ACT, 1974

(NAGALAND ACT NO. 12 OF 1974)

(Received assent of the Governor on the 19th November, 1974 and published in the Nagaland Gazette Extraordinary dated 30th November, 1974).

An

Act

further to amend the Nagaland Sales Tax Act, 1967 and to consolidate the law on Sales Tax in Nagaland.

It is hereby enacted in the twenty-fifty year of the Republic of India as follows :—

1. Short title, extent and commencement.

- (1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1974.
- (2) It extends to the whole of Nagaland.
- (3) It shall come into force on such date as the State Government may, by notification in the official Gazette appoint, and different dates may be appoint for different provision and different areas.

2. Amendment of Section 2.

- (1) In the Nagaland Sales Tax Act, 1967 (as amended in 1971) (hereinafter referred to as the Principal Act) sub-section (3) of Section 2 of the Principal Act shall be substituted by the following sub-section (3), namely :—

“Dealer” means any person who carries on the business of buying or selling goods in Nagaland and includes Government.

Explanation I :— A Cooperative Society or a club or any Association which sells goods to its members is a dealer.

Explanation II :— A factor, a broker, a commission agent, a delcredere agent, an auctioneer or any other mercantile agent, by whatever name called, and whether of the same description as hereinbefore mentioned or not who carries on the business of selling goods and who has in the customary course of business,

authority to sell goods belonging to others including the principal is a dealer.

Explanation III :- 'Business' includes :-

- (a) any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce, or manufacture, whether or not such trade, commerce, manufacture, adventure or concern is carried on with the motive to make profit and whether or not any profit accrues from such trade, commerce, manufacture or concern; and
 - (b) any transaction in connection with or ancillary or incidental to such trade, commerce, manufacture, adventure or concern."
- (2) After sub-section (7) of Section 2 of the principal Act, the following sub-section shall be inserted, namely :-
- "(7A) 'Concessional turnover' means the turnover which is covered by sub-clause (b) of clause 1 of section 14."
- (3) (a) In clause (a) of sub-section (12) of section 2 of the principal Act, the words "or" appearing at the end of the said clause of sub-section (12) of Section 2 of the principal Act shall be omitted.
- (b) Clause (b) of sub-section (12) of Section 2 of the principal Act shall be omitted.

3. Amendment of Section 4.

(1) Sub-section (1) of Section 4 of the principal Act shall be substituted by the following sub-section (1) namely :-

"Subject to the provision of this Act, every dealer whose gross turnover from sales which have taken place either wholly in Nagaland or both in and outside Nagaland during the twelve months immediately preceding the date of such commencement exceeded Rs; 12,000/- shall be liable to pay tax under this Act on all sales which have taken place in Nagaland on and from date of such commencement."

(2) Sub-section (2) of Section 4 of the principal Act shall be substituted by the following sub-section (2) namely :-

"Every dealer to whom sub-section (1) does not apply shall, if his gross turnover calculated from the commencement of any year exceeds the taxable quantum, at any time within such year, be liable to pay tax under this Act, on the expiry of two calendar

months from the date on which such gross turnover first exceeds the taxable quantum, on sales effected after such expiry."

(3) Sub-section (6) of Section 4 of the principal Act shall be substituted by the following sub-section (6) namely :—

"Every dealer whose liability to pay tax under the provision of subsection (4), shall, if his gross turnover calculated from the commencement of any year again exceeds the taxable quantum at any time within such year, be liable to pay such tax on the expiry of two calendar months from the dates on which such gross turnover again first exceeds the taxable quantum on all sales effected after such expiry."

(4) After sub-section (7) of Section 4 of the principal Act the following sub-section shall be inserted, namely :—

"(8) In this Act the expression 'taxable quantum' means :—

(a) In relation to any dealer who brings from outside the State any goods inside Nagaland for sale or manufacture/processes/produces any goods for sales 5,000/- Rupees; or

(b) in relation to any other dealer, 20,000/- Rupees."

4. Amendment of Section 5.

Section 5 of the principal Act shall be substituted by the following Section, namely :—

"The tax payable by a dealer under this Act shall be at the rates specified in the schedule I attached to this Act; provided that the State Government may, by notification in the official Gazette, notify different rates for different classes of goods; provided further that the rate of tax on any class or classes of goods shall not exceed twelve per-centum."

5. Amendment of Section 6.

Sub-section (1) of Section 6 of the principal Act shall be substituted by the following sub-section namely :—

"(1)(a) The tax shall be charged at the specified rates for each class of goods on the 'Gross turnover' of a dealer subject to such deduction as may be prescribed.

(b) Every dealer shall pay tax at such rates as may be prescribed on his "concessional turnover".

Provided that the State Government may, by notification in the official Gazette, enhance or reduce the rate of tax on 'concessional turnover';

Provided further that the rate of tax as concessional turnover shall not exceed three per-centum.

6. Amendment of Section 7.

Section 7, of the principal Act shall be substituted by the following Section, namely :—

"No tax shall be levied under this Act on the sale of :—

- (1) Goods taxable under the Nagaland (Sales of Petroleum and Petroleum Products, including Motor Spirit and Lubricants) Taxation Act, 1967.
- (2) Goods covered by sub-section (4) of Section 4 *ibid*.
- (3) Goods specially exempted under the provisions of this Act."

7. Amendment of Section 11.

Sub-section (1) of Section 11 of the principal Act shall be substituted by the following sub-section namely :—

"(1) Any dealer whose gross turnover during a year exceeds 5,000/- rupees may notwithstanding that he may not be liable to pay tax under Section 4, apply in the prescribed manner to the prescribed authority for registration under this Act."

8. Amendment of Section 14.

Clause (b) of sub-section (1) of Section 14 shall be substituted by the following clause, namely :—

"Sales to a registered dealer of goods of the class or classes specified in the certificate of registration of such dealer as being intended for resale by him in Nagaland or for use by him directly in the manufacture in Nagaland of goods for sale, and of containers and other materials for the packing of goods of the class or classes so specified;

Provided that deduction on account of sales referred to in sub-clause (b) shall be allowed to the dealer who sells the goods only when he can furnish in the prescribed manner a declaration containing prescribed particulars in the prescribed form obtainable in such manner and subject to such conditions and restrictions as may be prescribed by the prescribed authority duly filled up and signed by the registered dealer to whom the goods are sold."

9. Amendment of Section 22.

Sub-section (3) of Section 22 of the principal Act shall be omitted.

10. Amendment of Section 48.

Sub-sections (4) and (5) of Section 48 of the principal Act shall be omitted.

11. Amendment of Section 57.

Clause (d) of sub-section (2) of Section 57 shall be omitted.

12. The following entry shall be inserted after number 23 in the Schedule I appended to the principal Act, and the same shall be renumbered as entry number 24.

"24. Wines, Liquors and Alcoholic drinks other than drugs."

THE NAGALAND SALES TAX (AMENDMENT) ACT, 1978

(NAGALAND ACT NO. 10 OF 1978)

*(Received the assent of the President of India on the 23rd
November, 1978 and published in the Nagaland Gazette
Extraordinary dated 4th December, 1978)*

An

Act

further to amend the Nagaland Sales Tax Act, 1967

Preamble.

Whereas it is expedient to amend the Nagaland Sales Tax Act, 1967 and to consolidate the law on assessment of sales tax in Nagaland in the manner hereinafter appearing :—

1. Short title and commencement.

This Act may be called the Nagaland Sales Tax (Amendment) Act, 1978 (Act No. 10 of 1978).

2. Amendment of Section 14.

In Section 14 for sub-section (3) of the Nagaland Sales Tax Act, 1967; (Amendment of sec. 14) the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 1975, namely :

“(3) The amount arrived at by applying the following formula—
rate of tax × aggregate of sale prices
100 plus rate of tax

Provided that no deduction on the basis of the above formula shall be made if the amount by way of tax collected by a registered dealer, in accordance with the provisions this Act, has been otherwise deducted from the aggregate of sale prices”.

Explanation

Where the turn-over of a dealer is taxable at different rates, the aforesaid formula shall be applied separately in respect of each part of the turn-over liable to a different rate of tax.

THE NAGALAND SALES TAX (AMENDMENT) ACT, 1980

(NAGALAND ACT NO. 1 OF 1981)

(Received the assent of the Governor of Nagaland on the 16th January, 1981 and published in the Nagaland Gazette dated 31st March, 1981)

An

Act

Further to amend Nagaland Sales Tax Act, 1967 (No. 11 of 1967). It is hereby enacted in the thirty first year of Republic of India as follows :—

1. Short title, extent and commencement.

- (1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1980.
- (2) It shall come into force on such date as the State Government may by notification in the Official Gazette appoint.
- (3) It shall extend to the whole of Nagaland.

2. Amendment of Section 5.

Section 5 of the Nagaland Sales Tax Act, 1967 (11 of 1967) (as amended by Nagaland Sales Tax (Amendment Act, 1974) shall be substituted by the following namely :—

5. The tax payable by a dealer under this Act shall be at the rates specified in the Schedule I attached to this Act; provided that the State Government may, by notification in the official Gazette, notify different rates for different classes of goods provided further that the rate on any class or classes of goods shall not exceed twenty five per-centum."

THE NAGALAND SALES TAX (SIXTH AMENDMENT) ACT

(THE NAGALAND ACT NO. 7 OF 1989)

*Received the assent of the Governor of Nagaland on 30th June'89
and published in the Nagaland Gazette extraordinary dated
30th June'89.*

An

Act

further to amend the Nagaland Sales Tax Act, 1967.

It is hereby in the Fortieth year of the Republic of India, as follows :

1. Short Title, extent and commencement

- (1) This act may be called the Nagaland sales tax (sixth Amendment) Act, 1989.
- (2) It shall extend to the whole of the State of Nagaland.
- (3) It shall be deemed to have come into force on the 1st day of July, 1989.

2. In the Nagaland Sales Tax Act, 1967,

- (1) In section 2,
 - (a) for clause (2), the following shall be substituted namely
 - (2) "Works contract" means any agreement for carrying out or executing for cash, deferred payment or other valuable consideration.
 - (i) the construction, fitting out, improvement or repair of any building, road, wall, bridge, embankment, dam or other immovable property, or
 - (ii) the assembling, fabrication, installation, repair, fitting out, altering, ornamenting, blending, finishing, improving, processing, treating or adapting any movable property or not and includes a sub-contract for carrying out or executing the whole or any part of such work.
- (b) after clause (2) as so substituted, the following shall be inserted as clauses (2a) and (2b) namely : "(2a) "contracted" means any person for whom or for whose benefit a works

contract is carried out or executed; (2b) "contractor" means the person carrying out or executing a works contract".

(c) for clause (3) and the Explanation thereunder, the following shall be substituted namely :

(3) "Dealer" means any person who carries on the business of buying, selling, supplying or distributing goods or delivering goods on hire purchase or on any system of payment buy instalments or of carrying out or execution any works contracts or of transferring the right to use any goods for any purpose, whether for cash, deferred payment, commission, remuneration or other valuable consideration in the State and includes Government and any society, club or association which sells or supplies goods to its members,

Explanation

The manager or agent of a dealer who resides outside the state and carries on business as aforesaid in the State shall in respect of such business be deemed to be a dealer for the purposes of this Act.

(d) for clause (11), the following shall be substituted, namely :

(1) "sale" with all its grammatical variations and cognate expressions means any transfer of property in goods for cash, deferred payment, commission, remuneration or other valuable consideration and includes.

- (a) any delivery of goods on hire purchase or any system of payment of instalments.
- (b) any transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract specified in Schedule III
- (c) any transfer of the right to use any goods specified in Schedule IV for any purpose (whether or not for a specified period);
- (d) and shall be deemed always to have included any supply by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration, and such delivery, transfer or supply of any goods shall be deemed to be and, in a case falling under sub- clause

(d) of this clause, shall always be deemed to have been, a sale of such goods by the person making the delivery, transfer or supply and a purchase of such goods by the person to whom such delivery, transfer or supply is made;

Explanation (1) :

Save as provided in this clause, "sale" does not include any transfer of goods by way of a mortgage, hypothecation, charge or pledge or the resumption of possession of the goods by the transferor or under an agreement of hire-purchase or any system of payment by instalment.

Explanation (2) :

A sale falling under sub-clause (a) shall be deemed to have taken place in the State if the goods are within the State at the time of their delivery.

Explanation (3) :

A sale falling under sub-clause (b) shall be deemed to have taken place within the State if the goods involved in the works contract are within the State at the time of their use, application or appropriation for the execution of the contract.

Explanation (4) :

A sale falling under sub-clause (c) shall be deemed to have taken place in the State if the goods had not been purchased inside the State by the person transferring the right to use the goods irrespective of the place or places where the contract for such transfer is made or the goods are delivered for use or are actually used or except where the goods are intended to be exclusively used in another State in which case the sale shall be deemed to have taken place in such other State.

Explanation (5) :

Transfer of the right to use any goods means the transfer by the owner of the goods of the possession or control or use of the goods specified in Schedule IV to any other person for any purpose, whether or not for a specified period, for cash, deferred payment or other valuable consideration;

(c) For clause (2), the following shall be substituted, namely :
(12) "sale price" shall mean and, in a case not falling under sub-clauses (a), (b) or (c) of clause 11 of this section, shall be

deemed always to have meant the amount payable to a dealer in valuable consideration for the sale or supply of any goods, less any sum allowed as cash discount according to ordinary trade practice, but including any sum charged for anything done by the dealer with or in respect of the goods at the time of, or before delivery thereof, other than the cost of freight or delivery or the cost of installation where such cost is separately charged and includes :

- (a) in respect of any sale falling under sub-clause (a) of clause (11) of this section, the full value of the consideration payable had the goods been sold out-right on the day the goods were delivered on hire-purchase or any system of payment by instalments;
- (b) in respect of any sale falling under sub-clause (b) of clause (11) of this section, the full value of the consideration received or receivable under the contract for the transfer of property in goods involved therein (whether as goods or in any other form) including—
 - (i) in a case where any goods have been supplied to the contractor by the contractor or any other person for use in the works contract, whether for consideration or otherwise, the market value of the goods on the day they were so supplied; and
 - (ii) in a case where any part of the work is carried out or executed by sub-contractor, the amount received or receivable by such sub-contractor;
- (c) in respect of any sale falling under sub-clause (c) of clause (11) of this section, the full value of the consideration received or receivable for the transfer of the right to use any goods for any purpose.

Explanation (1) :

Where there are several contracts relating the same work or which are incidental or ancillary to each other all such contracts shall, for all purpose of the aforesaid sub-clause (b), be deemed to constitute a single contract.

Explanation (2) :

For the purpose of the aforesaid sub-clause (b) the transfer of property in the goods involved in a works contract (whether as goods or in some other form) shall be deemed to have taken

place at the time and to the extent the whole or any part of the sale price or any advance towards the sale price under the contract is received or becomes receivable by the dealer;

(f) after clause (4) the following shall be inserted as clause (14 A) namely :

(14 A) "turnover of sales" means

- (a) in relation to sales falling under sub-clause (b) of clause (11) of this Section, the aggregate of the amounts of sale price received or receivable by the dealer during any period in respect of the carrying out or execution of a works contract whether executed fully or partly including any advance received or receivable by the dealer during that period towards the sale price but excluding any amount refunded or refundable by the dealer or withheld from any payment made to him by way of discount, rebate, penalty, damages or otherwise in respect of such contract and reduced by-
 - (i) such percentage of the turnover towards labour and other charges as may be specified in Schedule III; and
 - (ii) such other amounts as may be prescribed;
 - (b) in relation to sales falling under sub-clause (c) of clause (11) of this section, the aggregate of the amounts of sale price received or receivable during any period by the dealer in respect of the transfer of the right to use any goods for any purpose, including any advance received towards the sale price during that period."
 - (iii) in section 4, after sub-section (7), the following shall be inserted as sub-section (8), (9), (10) and (11), namely-
- (8) Notwithstanding anything contained else where in this section or any other law for the time being in force every dealer shall be liable to pay tax under this Act in respect of every sale falling under sub clause (b) or (c) of clause (11) of section 2 if his turnover of sales in any year commencing on the 1st day of July, 1989 or thereafter exceeds the taxable quantum" specified in sub-section (11) of this section and he shall be so liable to pay tax on the expiry of one month from the date on this section and he shall be so liable to pay tax on the expiry of one month from the date on which such turnover first exceeds the taxable quantum on all sales specified in this sub-section and effected after such expiry, and to that

extent the provision of sub-section (1) to (7) of this section shall not apply to such dealer, (9) Every dealer who has become liable to pay tax under sub-section (8) of this section shall continue to be so liable until the expiry of three consecutive years during each of which his turnover of sales has failed to amount to or exceed the "taxable quantum" specified in sub-section (11) of this section and on expiry of this period, his liability to pay tax under the aforesaid sub-section shall cease.

(10) Every dealer whose liability to pay tax under sub-section (8) of this section has ceased under sub-section (9), shall again be liable to pay tax under sub-section (8) of this section in accordance with that sub-section after his turnover of sales exceeds the "taxable quantum" specified in sub-section (11) again during any year.

(11) For the purpose of sub-section (8) of this section "taxable quantum" means

(a) in relation to sales falling under sub-clause, (b) of clause (II) of section 2, Rs. 50,000.

(b) in relation to sales falling under sub-clause (c) of clause (11) of section 2, Rs. 10,000

(iv) after section 4, the following shall be inserted as section 4A, namely :

Additional tax on turnover 4A(1) Notwithstanding anything contained elsewhere in this Act or in any other law for the time being in force.

(a) every dealer whose gross turnover during the last year ending on or before the 30th day of June, 1989 exceeds rupees five lakhs, shall, in addition to any other tax payable by him under this Act or any other law for the time being in force, be liable to pay from the 1st day of July, 1989 a turnover tax at the rate specified in sub-section (3) of this section on such part of his turnover as specified in sub-section (2),

(b) every other dealer whose gross turnover during any year ending after the 1st day of July, 1989, exceed rupees five lakhs shall, in addition to any other tax payable by him under this Act or any other law for the time being in force, be liable to pay from the first day of the year immediately following such year a turnover tax at the

- rate specified in sub-section (3) of this section on such part of his turnover as specified in sub-section (2);
- (c) every dealer who has become liable to pay turnover tax under clause (a) or clause (b) of this sub-section shall continue to be so liable until the expiry of three consecutive years during each of which his gross turnover does not exceed rupees five lakhs and on the expiry of such period of three years his liability to pay turnover tax shall cease;
- (d) every dealer whose liability to pay turnover tax has ceased under clause (c) of this sub-section, shall, if his gross turnover during any year again exceeds five lakhs, be liable to pay from the first day of the year immediately following such year turnover tax at the rate specified in sub-section (3) of this section on such part of his turnover as specified in sub-section (2)
- (2) The turnover tax shall be levied at the rate specified in sub-section (3) of this section on that part of the gross turnover of the dealer during any period which remains after deducting therefrom his turnover during the period on-
- (a) sales of goods specified in section 14 of the Central Sales Tax Act, 1956 (Central Act, 74 of 1956);
- (b) sales of goods exempted by or under section 7;
- (c) sales of goods exempted under clause (b) and (c) of sub-section (1) of section (14);
- (d) sales of goods in respect of which he is not required to pay tax under the Nagaland (Sales of Petroleum and Petroleum Products, including Motor Spirit and Lubricants)

Taxation Act, 1967.

- (e) sales of goods taking place in the course of inter State trade or commerce or out-side the State or in the course of import or export as contemplated in sections 3, 4 and 5 of the Central Sales Tax Act, 1976 (Central Act 74 of 1956)
- (3) The turnover tax shall be levied at the rates specified below if the gross turnover of the dealer liable to pay such tax during the period in respect of which or part of which turnover tax is levied fulfils the condition specified against each :

<i>Rate of Tax</i>	<i>Turnover Limits</i>
(a) One and one-half of one per centum	If gross turnover exceeds rupees ten lakhs.
(b) One per centum	If gross turnover exceeds rupees five lakhs but does not exceeds ten lakhs.

Explanation :

For the purpose of sub-sections (2) and (3) of this section period means the period prescribed under section 15.

(4) The tax payable by a dealer under sub-section (3) of this section in respect of any period shall not exceed

(a) in a case falling under clause (a) of sub-section (3) of this section, a sum equivalent to the aggregate of two thirds of the tax payable in accordance with the said clause (a) and fifteen per centum of the amount by which his gross turnover for the period exceeds rupees ten lakhs, and

(b) in a case falling under clause (b) of the said subsection (3), a sum equivalent to the aggregate of one half of the tax payable in accordance with the said clause (b), and ten per centum of the amount by which his gross turnover for the period exceeds rupees five lakhs.

(5) No dealer shall realise from his purchase the turnover tax payable by him under this section :

(v) in section 5.

(a) in sub-section (1), between the words "shall" and "be", the following shall be inserted, namely : "Subject to sub-section (3)".

(b) after sub-section (2), the following shall be inserted as sub-section (3) namely : (3) The tax payable by a dealer under the Act, in respect of sales falling under sub-clauses (b) and (c) of clause (12) of section 2. Shall be at the rates specified in Schedules III and IV respectively".

(vi) in Section 6.

(a) after the word "dealer", the following shall be inserted, namely :

"and in case of sales falling under clauses (b) and (c) of sub-clause (11) of section 2, on the turnover of sales of a dealer making such sales".

(vii) in section (14) in sub-section (1), in clause (b), for sub-clause (i), the following shall be substituted, namely :

“(i) goods specified in the purchasing dealer's certificate of registration as being intended by him for resale in the State”.

(viii) after Schedule II the following shall be inserted as Schedules III and IV namely;

SCHEDULE III

List of Works contracts for Charge of Tax on Transfer of Property in Goods Involved Therein. (See section 2 (11) (b))

Sl. No.	Description of works contract.	*	Rate of tax
(1)	(2)	(3)	(4)
1.	Fabrication and installation of lifts, rolling shutters collapsible and other varieties of gates, grills, doors, windows and frames and overhead tanks.	10	4 paise in the rupees
2.	Supply and fixing of tiles, slabs, stone sheets, flooring, roofing, sanitary and water fitting, drainage sewerage, construction of RCC buildings and bridges	30	4 paise in the rupees

* Percentage of exclusion towards other charges.

SCHEDULE IV

List of Good for Charge Tax on Transferer of the Right to Use any Goods or any Purpose.

See section 2 (11) (c)

Sl. No.	Description of goods	Rates of tax
1.	Video Cassettes and audio cassettes	20 paise in the rupee.

2. Television sets, Video cassette recorders and players and Video games equipment. 20 paise in the rupee.
3. Internal communication and closed Circuit TV equipments 20 paise in the rupee.

THE NAGALAND SALES TAX (FIFTH AMENDMENT) ACT, 1989

(THE NAGALAND ACT NO. 8 OF 1989)

*Received the assent of the Governor of Nagaland on 30th June '89
and published in the Nagaland Gazette extraordinary dated
30th June '89.*

An

Act

further to amend the Nagaland sales Tax Act, 1967.

It is hereby enacted in the Fortieth year of the Republic of India, as follows :

1. Short title, extent and commencement.

(1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1989.

(2) It shall extend to the whole of the State of Nagaland.

(3) It shall come into force from the 1st July, 1989.

2. Amendment of Section 22.

In clause (d) of sub-section (1) of Section 22 of the Nagaland Sales Tax Act, 1967, herein-after called the principal Act, for the words "One and a half times" substitute the words "three times".

3. Amendment of Section 33.

In sub-section (3) of Section 33 of the principal Act, for the words "twentyfive rupees" substitute the words "One hundred rupees".

4. Amendment of Section 34.

In sub-section (1) of Section 34 of the Principal Act, for the words "one hundred rupees" substitute the words "two hundred rupees".

5. Amendment of Section 42.

In Section 42 of the Principal Act, for the words "one thousand rupees" substitute the words "two thousand rupees" and for the words "fifty rupees" substitute the words "one hundred rupees".

6. Amendment of Section 43.

In Section 43 of the principal Act, for the Words "one thousand rupees" Substitute the words "two thousand rupees".

7. Amendment of Section 57.

In sub-section (3) of Section 57 of the principal Act, for the words "five hundred rupees" substitute the word "two thousand rupees" and for the words "twenty-five rupees" substitute the words "one hundred rupees".

8. Substitution of Schedule I and Schedule II

For the Schedule I and Schedule II of the Principal Act, the following Schedules shall be substituted namely :

SCHEDULE I

(See Section 5)

A. Goods Taxable at the Rate of 12 per centum is the rupee :

1. All Arms including Rifles, Revolvers, Pistols and ammunitions for the same.
2. All clocks, time pieces, watches and parts thereof.
3. Binoculars, telescopes and opera glasses.
4. Cigarette cases and lighters.
5. Cinematographic equipment including cameras, projectors, sound recording and reproducing equipment, lenses, films and other accessories required for use thereof.
6. Dictaphones and other similar apparatus for recording sound and spare parts thereof.
7. Gramophones and component parts thereof and records.
8. Iron and steel safes and almirahs.
9. Motor cycles and motor cycles combinations, motor scooters, motoret and tyres, spare parts and accessories of motor cycles, scooters and moteretes.
10. All motor vehicles (excluding motor cabs and motor taxicabs), motor omnibus and motor lorries, the chassis of motor vehicles, bodies built on chassis of motor vehicles belonging to other, (on the turnover relating to bodies), components, parts and accessories thereof.

11. Photographic and other cameras, enlargers, lenses, films, plates, papers, clothes and other parts and accessories, required for photographic use.
12. Refrigerators, air-conditioning plants and component parts of refrigerators and air-conditioning plants.
13. Sound transmitting equipment including Telephones, Loudspeakers and spare parts thereof.
14. Office Machines and apparatus including typewriters, Tabulating machines, calculating machines, cash register machines, cheque writing machines, statistical machines, card punching machine, computers including peripheral devices, intercom devices and component parts and accessories of such office machines and apparatus.
15. Wireless reception instruments and apparatus, radios and radiogramophones, electrical valves, accumulators, amplifiers and loudspeakers and spare parts and accessories thereof.
16. All electrical goods, instruments, apparatus appliances and all such articles, the use of which cannot be had except with the application of electrical energy including fans, lighting, bulbs, electrical earthen-wares and porcelain and all other accessories and component parts either sold as a whole or as a part.
17. All varieties of bulldozers including parts and accessories thereof.
18. Stainless Steel products.
19. Furniture of all types including those made of timber, iron and steel and Aluminium.
20. Vacuum Flasks of all kinds.
21. Electroplated nickel or silver or German silver goods
22. Articles made or inlaid with ivory.
23. Perambulators.
24. Carpets including Durries.
25. Foam rubber products.
26. Cosmetics and toilets requisites including scents, perfumes, shows, powders and lip-stick but excluding hair oil, tooth powder and tooth brush.
27. Mosaic tiles.
28. Linoleum.

29. Precious stones, whether cut or uncut, real or artificial.
30. Furs and articles made of furs.
31. Marble chips, marble or mosaic floor and tiles and articles made of marble or mosaic.
32. Laminated sheets like formics, sunmica etc.
33. Wines and liquors other than drugs.

B. Goods Taxable at the Rate of 8 per centum in the rupee.

1. Cement.
2. Bicycle, tri-cycle, rickshaws and cycle combinations and accessories and parts thereof.
3. Hair oils; tooth pastes, tooth powder and tooth brush.
4. Crockery and cutlery including forks and spoons and articles made of glass. China porcelain or glazed earthen-ware adopted for domestic use.
5. Vegetable oil, both edible and non-edible including vanaspati or ghee, mustard oil, rape-seed oil and admixtures of mustard oil and rape-seed oil.
6. Pulses and wheat products including atta, maida suji etc.
7. Fire works including coloured matches.
8. Glassware, bottles and phials, funnels, globe glass parts of lamps, sheets and plates, photo and other frames and mirrors.
9. Leather goods of all variety.
10. Paints, colours and varnishes including glue, polish and indigo.
11. Brushes, sand paper and other abrasives by whatever names known.
12. Ply-wood, hard-board card-board and straw-board.
13. Rubber products excluding condoms.
14. Sewing machines, knitting machines and parts and accessories thereof.
15. Soaps of all variety including toilet soaps, shaving soaps, soft soaps, liquid soaps, soap chips or powder of any other description or detergents.
16. Tinned, canned bottled or packed foods or provisions including confectionery biscuits and cakes but excluding baby food.
17. Water supply and sanitary fittings, all machinery for water supply accessories and spare parts thereof.
18. Plastics, celluloid and bakelite goods.

19. Ladies handbags and other types of vanity bags.
20. Asbestos sheets.
21. Shaving sets, razors, razor-blades, shaving sticks, shaving cream, shaving brush and other accessories and depiltores.
22. Timber *other than fire wood*.
23. Dryfruits and bulbs including onion garlic.
24. Petromax, stoves, lamps, lanterns including parts and accessories thereof.
25. Padlock and keys.
26. Shoe polish, shoe creams and shoe brushes.
27. Dyes and chemicals.
28. Pipes and fittings of pipes.
29. Paper excluding news papers.
30. Cellophane.
31. Aluminium - ware
32. Matches.
33. Tyres (including pneumatic tyres) and tubes ordinarily used for motor vehicles and trailers (whether or not such tyres and tubes are use for other vehicles).
34. Batteries (excluding day cells).

C. Goods Taxable at 4 per centum in the rupee.

1. Declared goods.
2. Ready-made garments made exclusively of cotton textiles.
3. Knitting wool.

D. Goods Taxable at the Rate of 6 per centum in the rupee.

1. Motor cars and motor taxicabs.
2. All varieties of tractors including parts and accessories thereof.
3. Goods not otherwise exempted (vide Schedule II under Section 8) or otherwise specified in the lists of taxable goods.

SCHEDULE II

(See Section 8)

Sl. No.	Description	Condition and exception subject to which exemption has been allowed.
1	2	3
1.	All cereals including all forms of rice but excluding pulses	Except when sold in sealed containers
2.	Plough, plough points, spade (Kodali) sickle, Khurpi, Axe, Khanda (for digging holes in the soil) and Dao	
3.	Books, periodicals and Newspapers.	
4.	Bread.	
5.	Betelnuts.	
6.	Cotton.	
7.	Electrical energy.	
8.	Fertilizers, viz.	
	(a) All chemical fertilizers	as may be notified by the State Government
	(b) Bone meal	
	(c) Oil cakes	Except when sold as cattle food.
9.	Fish, Ghee (but not vegetable Ghee, Dahi, Butter, Cream, Casein, meat and vegetables (but not onion, garlic, spices and condiments).	Except when sold in sealed containers
10.	Fresh Fruits.	
11.	Gur and molasses.	

Sl. No.	Description	Condition and exception subject to which exemption has been allowed.
1	2	3
12.	<p>(i) <i>Anti-malaria drugs, viz. quinine in powder form, quinine Pills (but not sugar coated). Quinine, Alkaloids, Salts of Quinine, Cinchona and its Alkaloids, Tataquina Cinchona Fabrifuge and Chloroquine group of drugs, e.g. Nibaquine, Reschochin and Com quine whether in colution or in powder or in tablet form, paludrine and Daraprin :</i></p> <p>(ii) <i>Anti-Kala-azar drugs, viz, Urea Stibamine and Pentamidine Isethionate :</i></p> <p>(iii) <i>Vaccine, viz. Smallpox vaccine, Cholera vaccine and T.A.B.</i></p>	
13.	Mustard seed and rape seed.	
14.	Sago.	
15.	Salt.	Except when sold in sealed containers.
16.	Water but not distilled, aerated or mineral waters when sold in bottle or sealed containers.	
17.	Milk.	Except when sold in sealed containers.
18.	Fire-wood	

Sl. No.	Description	Condition and exception subject to which exemption has been allowed.
1	2	3
19.	Mathematical instruments for students.	
20.	Sales by or to the Canteen Stores Deptt. (India)	Goods required for use of members of the Defence Forces of India and certified by the Principal Officer of the Military Unit to which the respective Depot of the Canteen Stores Deptt. (India) is attached to be required for bonafide use of members of the Defence Forces.
21.	Slate and slate pencils.	
22.	Pencil, paper, blotting paper inkpot, pen-holder, nib and eraser for use by students.	
23.	Scale colour box, painting box, school map, exercise, book and drawing book.	
24.	Grass use as cattle fodder only.	
25.	Handspun cotton yarn.	
26.	Handloom cloth woven out of handspun cotton yarn.	
27.	Mill-made cotton yarn excluding sewing thread.	
28.	Publications issued by the Publication Division of the Government of India, Ministry of Information and Broadcasting.	

Sl. No.	Description	Condition and exception subject to which exemption has been allowed.
1	2	3
29.	All varieties of textiles, namely, cotton, woolen or silken including Rayon, art-silk or nylon whether manufactured by hand-loom Power-loom or otherwise	
30.	Sugar.	
31.	Tobacco and all its products.	
32.	Ayurvedic medicines other than patents or registered trade mark.	
33.	Raw Jute.	
34.	Sugarcane	When sold to sugar factories.
35.	Khadi and/or products of Village Industries as defined in the Khadi and Village Industries Commission Act' 1956.	When sold by a producer and/ or organisation certified for the purpose by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission Act, 1956 or the Statutory State Khadi and Village Industries Board constituted under the Act of the State.
36.	Pesticides including insecticides, fungicides, herbicides, rodenticides etc.	

THE NAGALAND SALES TAX (AMENDMENT) ACT, 1993

(THE NAGALAND ACT NO. 6 OF 1993)

(Received the assent of the Governor of Nagaland on 28 August, 1993 and published in the Nagaland Gazette extraordinary dated 10th Sept, 1993)

An

Act

Whereas it has become necessary further to amend the Nagaland Sales Tax Act, 1967 (Act, 11 of 1967)

It is hereby enacted in the 44th year of the Republic of India as follows :—

1. Short title, extent and commencement.

- (1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1993.
- (2) It shall extend to the whole of the State of Nagaland.
- (3) It shall come into force on such date as the State Government may, by notification in the Official gazette, appoint.

2. Amendment of section, 2 of Nagaland Act II of 1967.

In the Nagaland Sales tax Act, 1967, hereinafter called the Principal Act, in section 2, in the explanation to clause (3) following Explanations shall be added and be numbered as Explanations II, III and IV after the existing Explanation being numbered as Explanation I, namely :—

“Explanation II—A factor, a broker, a commission agent, a del credere agent, an auctioneer or any other mercantile agent, by whatever names called, and whether of the same description as hereinbefore mentioned or not who carries on the business of selling goods and who has in the customary course of business, has authority to sell goods belonging to others including the principal is a dealer.”

“Explanation III :— “business” includes—

- (i) any trade, commerce or manufacture or any adventure or concern in the nature of trade, commerce, manufacture, whether or not such trade, commerce, manufacture, adventure

or concern is carried on with the motive to make gain or profit and whether or not any gain or profit accrues therefrom :

- (ii) The execution of any works contract, or the transfer of the right to use any goods for any purpose; and
- (iii) any transaction including the rendering of any services in connection with the incidental or ancillary to, such trade, commerce, manufacture, adventure, concern, works contract or lease”.

“Explanation IV:— Notwithstanding anything contained elsewhere in this Act, or in any other law for the time being in force, every person holding a formal document or instrument empowering such a specified person to act for and in the name of local Naga authorised by, or under “Power of Attorney” or any other authorisation, document by whatever name called, executed or signed, carries on business as aforesaid, in the State shall be deemed to be a dealer along with the local Naga and shall be jointly and severally subject to the provisions of this Act”.

3. Insertion of section 3A—

In the principal Act, after section 3, the following shall be inserted as section 3A namely :—

“3A. additional Commissioner-The State Government may appoint Additional Commissioner of Taxes who shall have jurisdiction over the whole of the State or where the State Government so directs over any local area thereof.

- (2) An Additional Commissioner shall, save as otherwise directed by State Government have and exercise within his jurisdiction all the powers and perform all the duties conferred or imposed on the Commissioner by or under this Act.
- (3) The Commissioner may transfer to or withdraw to himself an Additional Commissioner of Taxes any case or matter, or may transfer any such case or matter from an Additional Commissioner of Taxes competent to deal with the same to another Additional Commissioner of Taxes so competent.
- (4) An Additional Commissioner of Taxes shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (XLV 1860)”

4. Insertion of sub-section in Section 4

In section 4, of the Principal Act, after sub-section 7, the following shall be inserted as sub-section 8 and the existing sub-sections

(8), (9), (10) and 11 shall be re-numbered as sub-sections (9), (10) (11) and (12), namely :—

(8) In this Act, the expression 'taxable quantum' means :—

- (a) in relation to any dealer who brings goods from outside the State any goods inside Nagaland for sale or manufactures, processes or produces any goods for sale Rs. 25,000/- or
- (b) in relation to other dealers, Rs. 50,000/-”.

5. Insertion of Section 5A and 5B—

In the principal Act, after section 5, the following shall be inserted as sections 5A and 5B, namely :—

“5A. Point or points in the series of sales, at which the Sales Tax shall be levied—(1) the sales tax on goods shall be levied only at the point or points in the series of sales as provided in sub-section (2).

Provided where sales tax is already levied on the goods specified for levy of sales tax at the first point of sale, the subsequent sale of the same goods in the State of Nagaland shall not be subject to levy of sales tax if the dealer making such second sale of goods produces before the authority prescribed a cash memo or invoice or bills as a proof of having purchased the goods after making full payment of sales tax therein.

- (2) The tax leviable under section 4 and the rates under section 5 to be charged on the taxable turnover during any given period for the purpose of sub-section (1) shall be :—
 - (a) in respect of goods specified in Schedule-1 under List-A, at the first point of sale within the State at the rates specified in that List.
 - (b) in respect of goods specified in Schedule-1 List B at the first point of sale within the State, at the rate specified in that List.
 - (c) in respect of goods specified in Schedule-1 under List-C at the last point to sale within the State, at the rates specified in that List.
 - (d) in respect of goods specified in Schedule-1 under List-D, at the last point of sale within the State at the rate specified in that List.

- (e) in respect of any transfer of property in goods (whether as goods or in any other form) involved in a works contract of the nature specified in Schedule-III, at the rate or rates specified in that Schedule; and
 - (f) in respect of transfer of the right to use any goods for any purpose specified in Schedule-IV, at the rate or rates specified in that schedule.
- (3) The State Government may, by notification in the Official Gazette add to or omit any entry or entries in the Schedule or transport any entry or entries from one Schedule to another or modify or vary any entry or entries or the rate or rates, point or points of levy specified in any of the schedule and thereupon the said Schedules shall be deemed to have been amended accordingly."

"5B. Burden of proof—The burden of proving that, in respect of any sale effected by a dealer, he is not liable to tax under this Act or is liable to tax at a lower rate of tax, or that he is entitled to a deduction in determining the taxable turnover shall be on him".

6. Insertion of sub-section (4) in section 7.

In the Principal Act, after sub-section (3), the following shall be inserted as sub-section (4) namely :—

"(4) goods taxable under the Nagaland Purchase Tax Act, 1993."

7. Insertion of section 22A.

In the Principal Act, after section 22, following shall be inserted as section 22A; namely :—

"22A. *Interest payable by dealer* :—

- (1) If any dealer does not pay into Government Treasury the full amount of tax payable by him under this Act by the due date, a simple interest at the rate of twelve per centum per annum from the first day of the month next following said date shall be payable by him on the amount by which the tax paid, if any by the due date falls short of the tax payable. No interest under this sub-section shall be payable if the amount of tax paid by the due date is not less than ninety per centum of the tax payable.
- (2) If such tax is not paid within a period of sixty days from the due date, then in addition to interest payable under sub-section (1), the dealer shall be liable to pay simple interest

at the rate of twenty-four per centum per annum from the day commencing after the said period of sixty days on the amount by which the tax paid, if any, before the expiry of the said period falls short of the amount of the tax payable.

- (3) Interest under this section shall be payable till the tax payable is paid in full.
- (4) Where any interest becomes payable under this section, the officer competent to assess the dealer under section 16, shall record an order to that effect specifying the amount of interest payable and the amount of which and the period for which the interest is payable. Notwithstanding anything contained in this Act, an order under this sub-section can be passed at any time when interest under this section is found to be due.
- (5) Where an order is passed under sub-section (3) of section 39 in respect of any dues, any interest relating to the same dues and accrued under this section up to the date of such order and any further interest accruing after such date shall be recovered in the course of proceedings initiated in accordance with the said sub-section (3) in respect of the said dues and for that purpose no order under sub-section (4) of this section or notice under section 35 shall be necessary in respect of such interest.

Explanation I. For the purposes of this section "tax payable" means the amount of tax as finally assessed under this Act.

Explanation II. For the purposes of this section tax payable shall be deemed to be due for payment as follows :

For any period —

- | | |
|---------------------------------------|-----------------|
| (a) from 1st April to 30th June | by 31st July |
| (b) from 1st July to 30th September | by 31st October |
| (c) from 1st October to 31st December | by 31st January |
| (d) from 1st January to 31st March | by 30th April." |

8. Insertion of sub-section (5) in Section 36 —

In the principal Act, after sub-section (4) of section 36, the following shall be inserted as sub-section (5); namely —

"(5) Notwithstanding anything contained in sub-sections (2) and (3), the State Government may prescribe that the tax payable under this Act, in respect of any sale or class of sale made

to any Government or any local authority or any institution or any corporation or body established by or under a Central or State Act, are subject to such conditions as may be prescribed need not be paid in the manner provided in sub-sections (2) and (3) by the dealer making the sale but shall be deposited by the person, body or authority to whom the sale has been made in such manner as may be prescribed”.

9. Insertion of section 39A—

In the Principal Act, after section 39, following shall be inserted as section 39A; namely—

“39A. Provision of Sections 9 and 10 of Bengal Act, (III of 1913) not to apply to certain proceedings :—

It is hereby declared that the provisions of sections 9 and 10 of the Bengal Public Demands Recovery Act, 1913 shall not apply to any proceedings for recovery of any tax or penalty referred to in section 35 or of any interest referred to in Sub-section (1) and (2) of section 22A or any other dues referred to in section 38.

10. Insertion of sub-section (2) in section 40—

In the Principal Act, the existing section 40 shall be re-numbered as sub-section (1) and thereafter following shall be inserted as sub-section (2), namely—

“(2) If a refund, not being a refund under section 58 is not made within ninety days of such refund being due, the State Government shall pay to such dealer simple interest at the rate of six per centum per annum on the amount refundable”.

11. Insertion of section 48A

In the Principal Act, after section 48, following shall be inserted as section 48A namely

“48A. Power to search, seize and seal :— (1) If the Commissioner or any person appointed to assist the Commissioner under sub-section (1) of section 3 authorised in this behalf, upon information received or otherwise, has reason to suspect that a dealer or person is attempting to evade payment of any tax under this Act, or abetting such evasion, he may, subject to such restrictions and conditions as may be prescribed and after recording his reason for so doing—

(a) enter and search any place of business, warehouse or any other place where he has reason to suspect that such dealer or person keeps or is for the time being keeping any accounts,

registers, documents or records of his business or any stock of goods for sale or for use in the manufacture or packing of any goods for sale or any money or other valuable article relating to his business;

- (b) seize such accounts, registers, documents or vouchers as may be considered necessary for the purposes of determination of any liability under this Act; or
 - (c) make an inventory of such goods, money or other valuable articles; or
 - (d) seal any room, warehouse, almirahs safe, box or container in which he has reason to suspect that the dealer keeps or is for the time being keeping any accounts, registers, vouchers or documents of his business or any stock of goods for sale or for use in the manufacture of packing or any goods for sale or any money or other valuable article relating to his business.
- (2) Notwithstanding anything contained in sub-section (1) the Commissioner or the authorised Officer under Sub-section (1) may, either before entering and searching or in the course of search of any place of business or warehouse of any dealer or any other place as referred to in clause (a) of sub-section (1), if he considers it necessary so to do break open such room, warehouse, almirah, safe, box or container as is referred to in clause (c) of sub-section (1).
- (3) The Commissioner or the authorised officer under sub-section (1) may requisition the services of any police Officer or any other Officer of the State Government or of both to assist him for all or any of the purposes specified in sub-section (1) or sub-section (2) and it shall be the duty of every such Officer to comply with the requisition.
- (4) The Commissioner or the authorised Officer under sub-section (1) shall grant a receipt for any of the accounts, registers, vouchers or documents seized by him under sub-section (1) and retain them for such period as may be necessary for examination thereof or for prosecution or for any other purpose of this Act :—

Provided that —

- (a) the Commissioner shall not retain any of the accounts, registers, documents or vouchers, seized by him under sub-section (1) for a period exceeding one year from

- the date of the seizure unless he records in writing the reasons thereof; and
- (b) the authorised officer under sub-section (1) or the assessing Officer, shall not retain any of the accounts, registers, documents or vouchers seized by him under sub-section (1) for a period exceeding one year from the date of seizure unless he records his reasons for so doing in writing and obtains the sanction in writing of the Commissioner in respect thereof.
- (5) where any books of account, other documents, goods, money or other valuable article or things are or is found in the possession of any person in the course of a search, it may be presumed—
- (i) that such books of account, other documents, goods, money or other valuable article or thing relates or related to a business carried on by such person;
 - (ii) that the contents of such books of account and other documents are true; and
 - (iii) that the signature and every other part of such books of account or other documents which purport to be in the handwriting of any particular person or which may reasonably assumed to have been signed by, or to be in the handwriting of any particular person, are in that person's handwriting and, in the case of documents stamped, executed and attested that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested.
- (6) Where any books of account, other documents, goods money or other valuable article or thing has or have been taken into custody by any Officer or authority under any other law for the time being in force and the Commissioner is of the opinion that such books of account or other documents or the information relating to such goods, money or other valuable article or thing will be relevant for determining the liability to tax of any person, he may require such Officer of authority.
- (i) to deliver to the assessing Officer such books of account or other documents either forthwith; or
 - (ii) to furnish to the Assessing Officer certified copies of the whole of or of extracts of such books of account or documents or certified inventories of such goods, money

or other valuable articles or things and thereupon such books of accounts or other documents or the extracts therefrom or the information relating to such goods, money or other valuable article, or thing shall be deemed to have been obtained in the course of a search made by the Commissioner or the authorized Officer as the case may be and the provisions of this Act, shall so far as may be, apply accordingly.

- (7) The provisions of the Code of Criminal Procedure, 1973 relating to searches and seizure shall apply, so far as may be, to searches and seizure under this section.
- (8) Restriction on the movement of Goods—No person shall transport or authorize the transport from any Railway Station, Airport, Post Office or any other place whether of a similar nature or otherwise notified in this behalf by the State Government any consignment of such goods as may be specified by the State Government from time to time by notification in the official Gazette exceeding such quantities and except in accordance with such conditions as may be specified in such notification, with a view to ensuring that there is no evasion of any tax payable under this Act”.

12. Insertion of Section 51 A—

In the Principal Act, after section 51 the following shall be inserted as Sections 51A, namely :—

“51A. Certificate of Clearance-(1) If any Government or any local authority or any educational institution or any corporation or body established by or under a Central or State Act, enters into an agreement with a Contractor for execution by the latter of a works contract involving transfer of a property in goods (whether as goods or any in other form) or with a dealer for purchase of any goods from the latter, such Government, authority, institution, corporation or body shall not finalize such works, contract or purchase and make payment for execution of works contract or purchase of goods, as the case may be, unless the Commissioner certifies in the prescribed manner that such Contractor or Dealer has either paid or made satisfactory provision for payment of all existing liability or has no liability to pay tax under this Act, or the Central Sales Tax Act, 1956 (74 of 1956).

- (2) Application for the certificate required under Sub-section (1) shall be made by the Contractor or Dealer in such form

or manner as may be prescribed by the Commissioner and shall contain such particulars as may be prescribed.

- (3) Within 15 days of the receipt of the application required to in sub-section (2) the Commissioner
- (i) if he is satisfied that the applicant has either paid or made satisfactory provision for payment of all existing liabilities or has no liability to pay tax under the enactments specified in sub-section (1) grant the certificate to the applicant for a period not exceeding twelve months from the date of issue; or
 - (ii) if he is not satisfied, pass an order in writing, refusing to grant the certificate recording his reasons thereof".

13. Insertion of section 54 A—

In the principle Act, after section 54, the following shall be inserted as section 54A namely;

"54A. Appearance by authorized representative :—

- (1) A dealer or a person who is entitled or required to appear before an authority in connection with any proceeding under this Act, otherwise than when required under Section 51 to attend personally for examination on oath or affirmation, may attend by an authorized representative.
- (2) For the purpose of this section; "authorized representative" means a person authorised in writing by such dealer or person to appear on his behalf, being—
 - (a) a relative or a person regularly employed by him; or
 - (b) a legal practitioner who is entitled to practice in any civil court in India, or
 - (c) an Accountant, or
 - (d) a person who has acquired such educational qualifications as may be prescribed and has been registered by the Commissioner as a tax practitioner in the prescribed manner.

Explanation—In this connection, "Accountant" means a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 (Act 38 of 1949) or a cost Accountant within the meaning of the Cost and Works Accounts Act, 1959 and includes a person who by virtue of the provisions of Sub-Section (2) of Section 126 of the Companies Act, 1956 is entitled to be appointed to act as an auditor of companies registered in the State.

(3) No person—

- (a) who has been dismissed or removed from Government service, or
 - (b) who has been convicted for an offence connected with any proceedings under this Act or under any earlier law or under the Income Tax Act, 1961; or
 - (c) who being a tax practitioner registered under clause (d) of sub-section (1) is found by the Commissioner, after enquires conducted in the prescribed manner, guilty of misconduct in connection with any proceedings under this Act or under earlier laws; or
 - (d) who has become an insolvent, shall be qualified under sub-section (1) to represent a dealer or a person for a period of five years from the date of dismissal, removal, conviction or order adjudging a person guilty of misconduct or as insolvent, as the case may be.
- (4) No order of disqualification shall be made by the Commissioner in respect of a person under clause (d) of Sub-Section (2) unless he is given a reasonable opportunity of being heard.
- (5) Notwithstanding anything contained in sub-section (3), the Commissioner may, upon an application made to him in this behalf and for reasons to be recorded in writing, reduce the period of disqualification as referred to in sub-section (3) by such period as he considers fit.
- (6) Notwithstanding anything contained in this section, a person who was formerly employed as an authority under section 3 of this Act, not below such rank as may be prescribed, and who has retired or resigned from such employment, shall not be entitled to represent a dealer or a person for a period of one year from the date of his retirement or resignation, as the case may be."

14. Amendment of Section 59

In the principal Act, for section 59, the following shall be substituted, namely :—

"59. Power to inspect goods delivered to a carrier or a bailee for transmission, the movement of goods shall be deemed to commence at the time of such delivery and terminate at the time when a delivery is taken from such carrier or bailee. Where before delivery

is taken from him, a carrier or bailee to whom, goods are delivered for transmission, keeps the said goods in any office, shop, godown, vessel, receptacle, vehicle or any other place of business or any building or place, any officer empowered by the State Government in this behalf, shall have power to enter into and search such office, shop, godown, vessel, receptacle vehicle or other place of business or building or place and to examine the goods and inspect all records relating to such goods. The carrier or bailee or the person incharge of the goods and records shall give all facilities for such examination or inspection and shall if so required produce the bill of sale or delivery note or such other documents as may be prescribed and give a declaration containing such particulars as may be prescribed regarding the goods and give his name and address of the carrier or the bailee and the consignee”.

15. Insertion of sections 59A and 59B—

In the principal Act, after section 59 so substituted, the following shall be inserted as sections 59A and 59B, namely :—

“59A. Erection of check-posts and inspection of goods while in transit — (1) If the State Government consider that with a view to preventing or checking evasion of tax under this Act, in any place or places in the State, it is necessary so to do, the State Government may, by notification, direct the setting up of a check-post or the erection of a barrier or both, at such place or places as may be notified.

(2) At every check-post or barrier mentioned in sub-section (1), or at other place when so required by any officer empowered by the State Government in this behalf, the driver or any other person in-charge of any goods vehicle shall stop the goods vehicle and keep it stationery as long as may reasonably be necessary, and allow the officer empowered as aforesaid to examine the contents in the goods vehicle and inspect all documents relating to the goods carried which are in the possession of such driver or other person incharge, for the purpose of ascertaining whether there has been any sale or purchase of the goods carried and in case there was sale or purchase of the goods carried, whether such sale or purchase is liable to tax under this Act, and if so —

(a) whether such tax has been paid; or

- (b) whether the sale or purchase of the goods carried has, for the purpose of the payment of tax under this Act, been properly accounted for in the documents referred to in sub-section (5).
- (3) If, on such examination and inspection, it appears :—
- (a) (i) that the tax, if any, payable under this Act in respect of the sale or purchase of the goods carried, has been paid; or
- (ii) that the sale or purchase of the goods carried has, for the purpose of payment of tax under this Act, properly accounted for in the documents referred to in sub-section (5) and the declarations given was correct and complete to the satisfaction of the check gate officer the said officer, shall release the goods vehicle with the goods, carried; or
- (b) (i) that the tax, if any, payable under this Act in respect of the sale or purchase of the goods carried, has not been paid; or
- (ii) that the sale or purchase of the goods carried has, for the purpose of payment of tax under this Act, has not been properly accounted for in the documents referred to in sub-section (5), or not correct and complete declaration is given in respect of goods carried and if the said officer is satisfied after-making such enquiry as he deems fit, that with a view to preventing the evasion of tax payable in respect of the sale or purchase of the goods carried, it is necessary to detain the goods, he shall detain the goods and direct the driver or any other person in-charge of the goods vehicle, or the consignor or the consignee; to pay such tax, or to furnish adequate security in such form and in such manner and to such authority as may be prescribed, on behalf of the person liable to pay such tax.
- (4) If the tax is paid or the security is furnished then the goods so detained shall be released forthwith.
- (5) The documents referred to in sub-section, (2) and (3) are bills of sale, or delivery notes, or such other documents as may be prescribed.
- (6) The driver or any other person in-charge of the goods vehicle shall, if so required, give his name and address and the name

and the address of the owner of the goods vehicle as well as those of the consignor and the consignee of the goods.

- (7) The driver of the goods vehicle shall, on demand by the said officer, produce for inspection his driver's license.
- (8) (a) If the tax directed to be paid or the security directed to be furnished under sub-section (3) is not paid or furnished, or.
 - (b) If it appears to the said officer that the driver or the person incharge of the vehicle is not giving the correct name and address of the owner of the goods vehicle, or of the consignor or of the consignee of the goods, and if the said officer is satisfied after making such enquiry as he deems fit, that with a view to preventing the evasion of tax payable in respect of the sale or purchase of the goods carried it is necessary to detain the goods, he shall detain the goods either in the check-post or elsewhere as long may reasonably be necessary and shall ascertain the correct name and address of the owner of the goods vehicle or of the consignor or the consignee of the goods.

Provided that no such goods shall be detained by the said officer of more than forty-eight hours except with the permission of the next higher authority;

- (9) The said officer may in his discretion, permit the driver or other person in-charge of the goods vehicle to take the goods detained under sub-section (8) subject to an undertaking given by the owner of the goods or his representative duly authorised on this behalf—
 - (i) that the goods shall be kept in the office, godown or other place within the State, belonging to the owner of the goods vehicle in the custody of such owner, and
 - (ii) that the goods shall not be delivered to the consignor, consignee or any other person without the orders of the said officer and for this purpose the driver or any other person incharge of the goods vehicle shall furnish an authorization from the owner of the goods vehicle authorizing him to give such undertaking on his behalf.
- (10) In case the goods are subject to speedy and natural decay, and in the case of other goods, where no claim is made within the prescribed period, the said officer shall, subject to such

conditions as may be prescribed, sell such goods in open auction and remit the sale proceeds thereof in a Government Treasury.

Provided that before effecting the sale the said officer shall obtain the permission in writing of the next higher authority.

(11) Any person entitled to such sale proceeds shall, on application to the prescribed authority and upon sufficient proof, be paid the sale proceeds mentioned in sub-section (10) after deducting the expenses of the sale and other incidental charges and the amount of sale tax under this Act in respect of the sale or purchase of the goods in question.

Explanation I – For the purpose of this section, the expression “said officer” shall mean the Officer-in-Charge of the check post or barrier or the officer empowered under sub-section (2).

Explanation II – For the purpose of this section and section 59B ‘goods vehicle’ includes a Motor vehicle, vessel, animal and any other form of conveyance.

“59B. Maintenance, etc. of records by goods vehicles, – The owner or other person in-charge of a goods vehicle shall carry with him –

- (i) Bill of sale or delivery note or such other documents as may be prescribed, and
- (ii) Log book or, as the case may be goods vehicle record or trip sheet, relating to the goods under transport and containing such particulars as may be prescribed and shall submit to such officer as may be prescribed the documents aforesaid or copies thereof within such time as may be prescribed”.

16. Substitution of Schedule I, II & III—

For the schedules I, II and III of Principal Act, the following schedules shall be substituted, namely :—

SCHEDULE - I

(See Sections 5 and 5A)

LIST A - GOODS TAXABLE AT THE FIRST POINT OF SALE IN THE STATE

Sl. No.	Description of goods	Rate of tax
1	2	3
1.	All Arms including Rifles, Revolvers, Pistols and ammunitions for the same.	12 paise in the rupee.
2.	All clocks, time pieces, watches and parts thereof.	do
3.	Binoculars, telescopes and opera glasses.	do
4.	Cigarette cases and lighters.	do
5.	Cinematographic equipment including cameras, projectors, sound recording and reproducing equipment, lenses, films and other accessories required for use thereof.	do
6.	Dictaphones and other similar apparatus for recording sound and spare parts thereof.	do
7.	Gramophones and component parts thereof and records.	do
8.	Iron and steel safes and almirahs.	do
9.	Motor cycles and motor cycle combinations, Motor scooters, motorettes and tyres, tubes, spare parts and accessories of motor cycles, scooters and motorrettes.	do
10.	All motor vehicles including cars, taxis, omni buses, Motor Lorries, Chassis of Motor vehicles.	4 paise in the rupee

Sl. No.	Description of goods	Rate of tax
1	2	3
10A.	Component parts of motor vehicles and articles adapted for use generally as parts and accessories of motor vehicles, trailers by excluding tyres.	12 paise in the rupee.
	Batteries for all motor vehicles, scooters, mopeds, motorised rickshaws, motorettes and tractors.	do
11.	Photographic and other cameras, enlargers, lenses, films, plates, Papers, clothes and other parts and accessories required for photographic use.	12 paise in the rupee.
12.	Refrigerators, air-conditioning plants, and component parts of refrigerators and air-conditioning parts.	do
13.	Sound transmitting equipment including Telephones, Loudspeakers and spare parts thereof.	do
14.	Office Machines and apparatus including typewriters, Tabulating machines, calculating machines, cash register machines, cheque writing machines, statistical machines, card punching machine, computers including peripheral devices, intercom devices and component parts and accessories of such office machines and apparatus.	do
15.	Wireless reception instrument and apparatus, radios and radio gramophones, electrical bulbs, accumulators, amplifiers and loudspeakers and spare parts and accessories thereof.	do

Sl. No.	Description of goods	Rate of tax
1	2	3
16.	All electrical goods, instruments, apparatus, appliances and all such articles, the use of which cannot be had except with the applications of electrical energy including fans, lighting, bulbs, electrical earthenwares and porcelain and all other accessories and component part either sold as a whole or as a part.	12 paise in the rupee
17.	All varieties of bulldozers including parts and accessories thereof.	do
18.	Stainless steel products.	do
19.	Furniture of all types including those made of timber, iron and steel and aluminium.	do
20.	Vacuum Flasks of all kinds.	do
21.	Electroplated nickel or silver or German silver goods.	do
22.	Articles made of inlaid with ivory.	do
23.	Perambulators.	do
24.	Carpets including Durries.	do
25.	Foam rubber products	do
26.	Cosmetics and toilets requisites including scents, perfumes, snows powders and lip-stick but excluding hair oil, tooth powder and tooth brush.	do
27.	Mosaic tiles.	do
28.	Linoleum	do
29.	Precious stones, whether cut or uncut, real or artificial.	do
30.	Furs and articles made of furs.	do

Sl. No.	Description of goods	Rate of tax
1	2	3
31.	Marble chips, marble or mosaic floor and tiles and articles made of marble or mosaic.	12 paise in the rupee
32.	Laminated sheets like formaica, sunmaica etc.	do
33.	... Deleted	
34.	Television sets and antennae, television, cameras, television monitors and components parts and accessories of any of them.	do
35.	Close circuit television sets, video cameras, television, video cassette, video cassette players, V.C.R. parts, accessories and components of any of them.	do
36.	Electronic systems; instruments, parts and appliances, components parts and accessories of any of them.	do
37.	Professional, scientific and laboratory instruments, implements and tools and components, parts and accessories thereof.	do
38.	Domestic and commercial electrical appliances such as grinders, mixers, blenders, irons, lighters, hair driers, shavers, washing machine, butters, hot plates, toasters, cooking ranges, boilers, ovens, geysers, vacuum cleaners and components, parts and accessories of any of them.	do
39.	Voltage stabilizers of all types and descriptions.	do
40.	Weighing machine, of all types and descriptions.	do

Sl. No.	Description of goods	Rate of tax
1	2	3
41.	Bearings of all types including ball or roller bearings of all types and descriptions.	12 paise in the rupee
42.	Dry and preserved fruit, that is to say, any fruit of edible, part of fruit that has undergone full or partial dehydration or any other preserving process including Almond, Khasta, pistachionut, Apricot, Alubukra, Fig, Cashew-nut (cashew nut includes salted cashewnut), Walnut Raisin (locally known as Khajur Zahedi or Sehera) but excluding any fruit which is oil seeds as defined in section 14 of the Central Sales Tax Act, 1956.	do
43.	Storage batteries of all varieties and descriptions.	do

**LIST B—GOODS TAXABLE AT THE FIRST POINT OF SALE
IN THE STATE.**

Sl. No.	Description of goods	Rates of tax
1	2	3
1.	Cement	8 paise in the rupee
2.	Bycycle, tricycle, rickshaws and cycle combination and accessories and parts thereof.	do
3.	All varieties of hair oils.	do
4.	Crockery and cutlery including forks and spoons and articles made of glass, china porcelain or glazed earthenware adopted for cosmetic use.	do
5.	Vegetable oils, both edible and non- edible including vanaspati and ghee.	do
6.	... Deleted	
7.	Fire works including coloured matches.	do
8.	Glassware, bottles and phials, funnels globe, glass parts and lamps, sheets, and plates, photo and other frames and mirrors.	do
9.	Leather goods of all variety.	do
10.	Paints, colours and varnishes including glue, polish and indigo.	do
11.	Brushes, sand paper and other abrasives by whatever names known.	do
12.	Ply-wood, hard-board, card-board and straw-board.	do
13.	Rubber products excluding condoms.	do
14.	Sewing machine, knitting machine and parts and accessories thereof.	do

Sl. No.	Description of goods	Rates of tax
1	2	3
15.	Soaps of all variety including toilets soaps, shaving soaps, soft soaps, liquid soaps, soaps chips of powder of any other description or detergents.	6 paise in the rupee.
16.	(a) Baby food, e.g. Glaxo, Amul spray Lactogen etc.	do
	(b) Tinned, canned, bottled or packed foods or provisions including confectionery biscuits and cakes.	8 paise in the rupee.
16A.	Sweets and sweet-meat including pastries, ice-cream and Kulfi".	do
17.	Water supply and sanitary fittings, all machinery for water supply, accessories and spare parts thereof.	do
18.	Plastics, celluloid and bakelite goods.	do
19.	Ladies handbags and other types of variety bags.	do
20.	Asbestos sheets.	do
21.	Shaving sets, razors, razor-blade, shaving sticks, shaving cream, shaving brush and other accessories and depilatories.	do
22. Deleted	
23.	Onion and garlic.	do
24.	Petromax, Stoves, lamps, lanterns including parts and accessories thereof.	6 paise in the rupee.
25.	Padlock and Keys	8 paise in the rupee
26.	Shoe polish, shoe creams and shoe brushes.	do
27.	Dyes and chemicals.	do
28.	Pipes and fittings of pipes, sanitary wares of all kinds and fitting thereof.	do

Sl. No.	Description of goods	Rates of tax
1	2	3
29.	Paper excluding newspapers, paper envelopes, diaries, calendars, greeting cards, invitation cards, photo and stamp albums.	8 paise in the rupee.
30.	Cellophane	6 paise in the rupee.
31.	Aluminium wares, utensils, utensils and articles made of non-ferrous metals and other non-stick cook ware.	8 paise in the rupee.
32.	Matches	do
33.	Tyres (including pneumatic tyres) and tubes ordinarily used for motor vehicles and trailers (whether or not such tyres and tubes are used for other vehicles.)	8 paise in the rupee.
34.	... Deleted	
35.	X-ray parts and films, plates and other equipments required for use therewith and components, part and accessories or any of such parts and equipments.	do
36.	Fountain pens, ball pens; stylograph pens, propelling pencils and components, parts and accessories of such pens and pencils, and refills used therewith.	do
37.	Food and non-alcoholic drinks served for consumption inside any cating house, restaurants, hotels and refreshments room.	do

Provided that tax shall be charged at the rate of six paise in the rupee prior to the date of this amendment.

Sl. No.	Description of goods	Rates of tax
1	2	3
38.	Aerated water, mineral water and non-alcoholic beverages (including fruit juices, squashes, syrups and cordials) when sold in sealed, capsuled or corked bottles, jars, tins, drums and other containers (other than soda water)	8 paise in the rupee.
39.	Incensed sticks locally known as Dhupkathi, or Agarbati.	do
40.	"Surgical dressing" which expression shall include gauze, lint and cotton wool, which have been sterilised and conform to the accepted standards of the medical profession.	do
41.	All non-cotton yarn, staple yarn.	do
42.	Jute goods, that is to say (1) Hessian (ii) sacking and (iii) carpet backing made of jute.	8 paise in the rupee.
43.	Industrial gases, including oxygen, nitrogen, acetylene, gas burners and other equipments and accessories for use thereof.	do
44.	Pan masala by whatever name called	do
45.	Sheets, cushions and pillows.	do
46.	Dry cell batteries.	do
47.	Bedding, mattresses, stuffed with cotton, simul, coir (with or without foam backing)	do
48.	Musical instruments.	do
49.	Packing materials	
	(i) Empty tins and empty barrels	do
	(ii) Wooden boxes	do
	(iii) Empty bottles and corks.	do

Sl. No.	Description of goods	Rates of tax
1	2	3
	(iv) Polythene and Alkathene	8 paise in the rupee
	(v) Cartoons	do
	(vi) Gunny bags	do
50.	Wooden chair, wooden bench, wooden bed stead.	do

LIST C - GOODS TAXABLE AT THE LAST POINT OF SALE IN THE STATE

Sl. No.	Description of goods	Rate of tax
1	2	3
1.	Declared goods.	4 paise in the rupee
2.	Readymade garments of all varieties.	do
3.	Knitting wool	do
4.	Cattle and poultry feed and concentrates but excluding feed supplement.	do
5.	Xerox copy.	do

LIST D - OTHER GOODS TAXABLE AT THE LAST POINT OF SALE IN THE STATE @ 6 PAISE IN THE RUPEE

All other goods not otherwise exempted.
 (Vide Schedule-II under section 8) or
 Otherwise specified from time to time
 in any of the preceding Lists.

SCHEDULE—II
(See Section 8)

Sl. No.	Description	Condition and exception which exemption has been allowed
1	2	3
1.	All cereals including all forms of rice.	Except when sold in sealed containers
2.	Plough, Plough points, spade (Kodali) sickle, khurpi, Axe, Khadda (for digging holes in the soil) and Dao	
3.	Books, periodicals and Newspapers.	
4.	Bread	
5.	Betelnuts and pan leaves.	
6.	Cotton.	
7.	Electricity	
8.	Fertilizers, viz. (a) All chemical fertilizers (b) Bone meal (c) Oil cakes	
9.	Fish, Ghee (but not vegetable Ghee) Dahi, Cream, Casein, meat and vegetables (but not onion, garlic, spice and condiments)	Except when sold in sealed containers.
10.	Deleted	
11.	Fresh fruits	
12.	Gur and molasses	

Sl. No.	Description	Condition and exception which exemption has been allowed
1	2	3
13.(i)	Anti- malaria drugs, viz. Quinine powder form, quinine pills (but not sugar coated) Quinine, Alkaloids, salts of Quinine, Cinchona and its Alkaloids, Terequine Cinchona Forifuge and Chloroquine group of drugs, e.g. Nibaquine, Reschonchint and Comoquine whether in solution or in powder or in tablet form, paludrine and Darapin;	
(ii)	Anti-kala-azar drugs, viz. Urea Stibamine and Pentamidine Isethienate;	
(iii)	Vaccine, viz. small pox vaccine, Cholera vaccine and T.B.	
14.	Deleted	
15.	Till seed, salam seed, Tissi seed.	
16.	Sage	
17.	Salt	Except when sold in sealed containers
18.	Water (other than distilled, aersted or mineral waters)	
19.	Milk	
20.	Fire wood	
21.	Mathematical instruments for students.	

Sl. No.	Description	Condition and exception which exemption has been allowed
1	2	3
22.	Sales by or to the Canteen Stores Department (India)	Goods required for use of members of the Defence Forces of India and certified by the Principal Officer of Military unit to which the respective Depot of the Canteen Stores Department (India) is attached to be required for bonafide use of members of the Defence Forces.
23.	Slate and slate pencils.	
24.	Pencil, paper, blotting paper, inkpot, pen holder, nib and eraser for use by student.	
25.(a)	Scale, colour box, painting box, school map, exercise book and drawing book.	when sold by school canteen certified by the school authorities.
(b)	School bag and lunch box.	(Principal/Head-master) as for use by Students.
26.	Grass used as cattle fodder only.	
27.	Handspun cotton yarn.	
28.	Handloom cloth woven out of handspun cotton yarn.	
29.	Mill-made cotton yarn excluding sewing thread.	

Sl. No.	Description	Condition and exception which exemption has been allowed
1	2	3
30.	All varieties of textiles, namely cotton, woolen or silken including Rayon, silk or artificial nylon whether manufactured by handloom, powerloom or otherwise.	
31.	Sugar	
32.	Tobacco and all its products.	
33.	Deleted	
34.	Raw Jute	
35.	Sugarcane	
36.	Khadi and/or products of village Industries as defined in the Khadi and Village Industries Commission Act, 1956.	When sold by a producer and/or organisation, certified for the purpose by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission Act, 1956 or the Statutory State Khadi and Village Industries Board constituted under the Act of the State.
37.	Pesticides for plant protection.	
38.	Nirodh (Condoms)	

Sl. No.	Description	Condition and exception which exemption has been allowed
1.	2	3
39.	Sales to Red Cross Society and its allied organisations.	
40.	Deleted	
41.	Livestock and poultry.	
42.	Sales of goods by Government Department at or below purchase price.	When sold in connection with approved development schemes.
43.	Deleted	
44.	Deleted	
45.	Deleted	
46.	Deleted	
47.	Deleted	
48.	Deleted	
49.	Deleted	
50.	Mango stones and Mango Kernals	
51.	Nutan Kerosine wick-stove	
52.	Oral contraceptive pills Mala-N and Mala-D	
53.	Handicrafts	
54.	Pulses	
55.	Wheat products including atta, maida and suji.	
56.	Mustard oil, rape-seed oil, admixture of mustard-oil and rape-seed oil.	

SCHEDULE - III

[See Section 5A (3) (E)]

Sl. No.	Description	Percentage of exclusion of labour and other charges	Rate of tax
1	2	3	4
1.	Any transfer of property in goods (whether as goods or in any other form) for use in the executive of a works contract.	30 ('Labour charges' and other like charges when not ascertainable from the books of accounts maintained and produced by a dealer.)	4 paise in the rupee

**The Nagaland (Sales Tax) Amendment Act, 1999
(Act No. 3 of 1999).**

[Received the assent of the Governor of Nagaland on 20th March 1999 and published in the Nagaland Gazette Extra-Ordinary dated 30th March 1999.]

An Act to further amend the Nagaland Sales Tax Act, 1967.

It is hereby enacted in the Fiftieth year of the Republic of India as follows:

1. Short title, extent and commencement.

- (1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1999.
- (2) It shall extend to the whole of Nagaland.
- (3) It shall come into force from the first day of April, 1999.

2. Amendment of Section 8 of Nagaland Sales Tax Act, 1967 (Act No. 11 of 1967).

After sub section (2) of section 8 of the Principal Act, the following new sub section shall be inserted, namely.

“3. Notwithstanding anything contained in this Act, the State Government, by a notification in the Official Gazette, may frame one or more schemes for grant of relief to any specified class for industries within the State or within any specified part of the State on or after such date as may be specified in such scheme and

producing such goods as may be specified therein by way of full or partial exemption of any tax payable under this Act on the raw materials or other inputs purchased by them within the State or on the manufactured goods sold by them within the State or in the course of inter-state trade and commerce for such period or periods as may be specified or by way of deferment of tax payable under this Act for such period as may be specified and subject to such other restrictions and conditions as may further be provided in such scheme or schemes”.

(3) Insertion of new section 59 (c)

After the existing section 59 B of the Principal Act, the following new section shall be inserted, namely :-

‘Section 59 C: Every transporter, carrier or transporting agent operating transport business in the State of Nagaland and transporting or receiving for the purpose of transportation taxable goods shall be required to obtain a certificate of registration in the prescribed manner from the Commissioner.

The Nagaland Sales Tax (Amendment) Act, 2001
(Act No. 7 of 2001)

*[Received that assent of the Governor of Nagaland on 26.3.2001
and published in the Nagaland Gazette Extra-ordinary
dated 9th April 2001.]*

An Act whereas circumstances exist which render it necessary to amend the Nagaland Sales Tax Act, 1967 (Act No. 11 of 1967) for the purpose and in the manner hereinafter appearing, it is hereby enacted in the 52nd year of the Republic of India as follows :-

1. Short title, extend and commencement :-

- i) This Act may be called the Nagaland Sales Tax (Amendment) Act, 2001.
- ii) It shall extend to the whole of the State of Nagaland.
- iii) It shall come into force from the 1st of April, 2001.

2. Deletion of Section 3A :

The existing Section 3 A shall be deleted.

3. Insertion of a new sub-section under section 3

A new sub-section, namely, sub-section 4 of section 3 shall be inserted as under :

Section 3(4) : The Commissioner of Taxes may, by a general or special order, delegate all or any of the powers conferred on him under this Act to any of his subordinate officers appointed under sub-section (1).

4. Deletion of Section 4 A :

The existing Section 4 A shall be deleted.

5. Deletion in Sub-section (1) of Section 5 :

The words, "subject to sub-section (3) of Section 4A" appearing in the first sentence of sub-section (1) of Section 5 shall be deleted.

6. Amendment of Section 16 :

After sub-section (4) of Section 16, the following sub-sections shall be inserted :

Section 16 (5) : All assessment under this section shall be completed within a period of two years. If the assessment cannot be completed within the stipulated period of two years after submission of return by any dealer, the return submitted by the dealer shall be deemed to be the finally assessed turn over for the purpose of paying the tax under this Act.

Section 16 (6) : Provision of sub-section (5) of this Section shall be without prejudice to section 17, 18 and 19 of this Act.

7. Insertion of Section 16 A after Section 16 :-

After section 16, the following section shall be inserted :

Section 16 A (1) : Notwithstanding any of the provision of this Act, the Government may in the public interest, prescribe through notification various categories of dealer and fix lump-sum rates of taxes as may be applicable to each such category.

(2) Any dealer who opts to pay lump-sum tax under sub section (1) of this Section shall apply within 60 days of the beginning of the year to the assessing officer within whose jurisdiction his business is located, in the manner as may be prescribed by the Commissioner.

Provided that once the option is accepted by the assessing officer; no dealer shall be allowed to withdraw the option unless the tax payable under Section 4 is more than or equal to the tax payable under sub section (1) of Section 16 A.

- (3) On receipt of the application for availing the scheme of lump-sum payment of tax under Section 16A (1) *ibid.*, the assessing officer shall cause such enquiry as may be deemed necessary and verify the claim of the dealer's gross turnover and determine the appropriate category in which the dealer is placed, and thereafter certify in the form, as prescribed by the Commissioner, specifying the manner in which the payment will be made.
- (4) The assessing officer shall monitor and review the business condition and status of the dealer at regular intervals as may be prescribed by the Commissioner and pass such orders as deemed necessary, determining the gross turnover for the purpose of the payment of tax under this section.

Provided that wherever rate of lump-sum tax as notified under Section 16A (1) is involved, no order should be passed without giving a prior written which shall be returnable within 30 days. If no reply is received from the dealer within the stipulated date the order shall be passed without any further notice.

- (5) Any dealer, irrespective of the category under which he was allowed to pay the lump-sum tax under this section, shall not be allowed to avail the scheme once his gross turn over exceeds Rs. 5.00 lakhs (Rupees five lakhs) any time during the year.
- (6) Irrespective of the gross turnover, no dealer whose business involve inter-state trade and commerce and requiring the use of covering forms provided by the Central Sales Tax Act, 1956 shall avail the benefit of lump-sum payment of tax provided by this section.