



**The Tamil Nadu General Sales Tax (Special Provisions And Validation) Act,
1998**

Act 22 of 1998

Keyword(s):

Levy & Collection of Penalty, Return, Actual Turnover, Dealer

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The following Act of the Tamil Nadu Legislative Assembly received the assent of the Governor on the 16th June 1998 and is hereby published for general information:—

ACT NO. 22 OF 1998

An Act to validate the levy and collection of penalty or interest under the Tamil Nadu General Sales Tax Act, 1959 in certain cases.

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Forty-ninth Year of the Republic of India as follows:—

1. (1) This Act may be called the Tamil Nadu General Sales Tax (Special Provisions and Validation) Act, 1998.

Short title and commencement.

(2)(a) Sub-section (1) of section 2 shall be deemed to have come into force on the 21st day of September 1977 and remained in force upto and inclusive on the 31st day of December 1986;

(b) Sub-section (2) of section 2 shall be deemed to have come into force on the 21st day of September 1977 and remained in force upto and inclusive of the 31st day of October 1982.

2. (1) Notwithstanding anything contained in sub-section (1) of section 13 of the Tamil Nadu General Sales Tax Act, 1959 (hereinafter referred to as the principal Act), the tax for each year payable under any of the provisions of the principal Act may be assessed, levied and collected in advance during the year in monthly or other prescribed instalments, and for that purpose a dealer may be required to furnish within the prescribed period such returns as may be prescribed. The assessing authority may determine the amount of tax payable in respect of any period and on such assessment the dealer shall pay the sum demanded within such time as may be fixed by such authority:

Special provisions in regard to the levy and collection of penalty.

Provided that where a dealer furnishes the returns showing his actual turnover for each month or for such other periods as may be prescribed, the tax payable on the basis of such returns shall become due without any notice of demand to the dealer on the date of receipt of the return or on the last due date as prescribed, whichever is later.

(2) Notwithstanding anything contained in sub-section (3) of section 24 of the principal Act, if the tax assessed or has become payable under the principal Act or any instalment thereof is not paid by any dealer or person within the time specified therefor in the notice of assessment or in the order permitting payment in instalments, the dealer or person shall pay by way of penalty in addition to the amount due a sum equal to a sum calculated at the rate of two percent of such amount for each month or part thereof after the date specified for its payment:

Provided that if the tax assessed or has become payable under the principal Act or any instalment thereof is less than one hundred rupees, no penalty shall be levied for a period of one month after the expiry of the time specified in the notice of assessment or the order aforesaid:

Provided further that where a dealer or person has preferred an appeal or revision against any order of assessment under the principal Act, the penalty payable under this sub-section, in respect of the amount in dispute in the appeal or revision, shall be postponed till the disposal of the appeal or revision, as the case may be, and shall be calculated on the amount that becomes due in accordance with the final order passed on the appeal or revision as if such amount had been the subject matter of the appeal or revision.

3. The provisions of the principal Act, in so far as they relate to the assessment, levy and collection of any tax, penalty or interest, shall apply in relation to the assessment, levy and collection of any tax, penalty or interest under section 2 of this Act.

Application of Tamil Nadu Act 1 of 1959.

4. Notwithstanding anything contained in the principal Act or in any judgment, decree or order of any court, tribunal or other authority, any penalty or interest levied or collected or purported to have been levied or collected under the principal Act during the period

Validation of levy and collection of penalty or interest.

commencing on the 21st day of September 1977 and ending with the 31st day of December 1986 on the tax that had become payable on the date of receipt of the return or on the last due date as prescribed, whichever is later, shall for all purposes be deemed to be, and to have always been validly levied or collected in accordance with law as if this Act had been in force at all material times when such penalty or interest was levied or collected and accordingly—

(a) all acts, proceedings or things done or taken by any authority in connection with the levy or collection of such penalty or interest shall, for all purposes, be deemed to be, and to have always been, done or taken in accordance with law;

(b) no suit or other proceedings shall be maintained in any court or before any tribunal or other authority for the refund of any penalty or interest so paid;

(c) no court, tribunal or other authority shall enforce any decree or order directing the refund of any penalty or interest so paid.

(By order of the Governor)

A.K. RAJAN,
*Secretary to Government,
Law Department.*