

Wealth-tax

Clause 93 seeks to amend section 17 of the Wealth-tax Act, 1957 relating to wealth escaping assessment.

Under the existing provision, in a case where net wealth chargeable to tax has escaped assessment, the Assessing Officer shall serve on the assessee a notice requiring him to furnish within such period not being less than thirty days as may be specified in the notice, a return of his net wealth in respect of which such person is assessable as on the valuation date mentioned in the notice.

It is proposed to omit the time limit of not less than thirty days for furnishing the return.

This amendment will take effect retrospectively from 1st April, 1989 and will, accordingly, apply in relation to notices issued on or after 1st April, 1989.

Gift-tax

Clause 94 seeks to amend section 16 of the Gift-tax Act, 1958 relating to gift escaping assessment.

Under the existing provision, in a case where taxable gifts, in respect of which any person is assessable under the said Act, (whether made by him or by any other person) have escaped assessment, the Assessing Officer shall serve on the assessee a notice requiring him to furnish within such period not less than thirty days as may be specified in the notice, a return of his taxable gifts made by him or by such other person during the previous year mentioned in the notice in respect of which he is assessable.

It is proposed to omit the time limit of not less than thirty days for furnishing the return.

This amendment will take effect retrospectively from 1st April, 1989 and will, accordingly, apply in relation to notices issued on or after 1st April, 1989.

Expenditure-tax

Clause 95 seeks to amend section 3 of the Expenditure-tax Act, 1987 relating to application of the Act.

The provisions of the Expenditure-tax Act, 1987, *inter alia*, apply to any chargeable expenditure incurred in a hotel referred to in clause (1) of section 3 of that Act.

It is proposed to amend the said clause (1) so as to provide that the provisions of the said Act shall apply to any chargeable expenditure incurred before 1st June, 2003 in a hotel.

This amendment will take effect from 1st June, 2003.

Clause 96 seeks to amend section 4 of the Expenditure-tax Act relating to charge of expenditure-tax.

Under the existing provision contained in clause (a) of the said section, the expenditure-tax at the rate of ten per cent. of the chargeable expenditure incurred in a hotel referred to in clause

(1) of section 3 of the Expenditure-tax Act is charged on and from the commencement of that Act.

It is proposed to amend clause (a) of the said section so as to provide that the expenditure-tax shall not be charged on the chargeable expenditure incurred in a hotel after the 31st day of May, 2003.

This amendment will take effect from 1st June, 2003.

Customs

Clause 97 seeks to amend section 2 of the Customs Act, 1962 (hereinafter referred to as the Customs Act) so as to replace the reference to "Gold (Control)" by "Service Tax" consequent to the proposed renaming of the Customs, Excise and Gold (Control) Appellate Tribunal as the Customs, Excise and Service Tax Appellate Tribunal. This is consequential to the amendment proposed in section 129 *vide* clause 112 of the Bill.

Clause 98 seeks to amend section 7 of the Customs Act so as to empower the Central Board of Excise and Customs to appoint customs ports, land customs stations, coastal ports, airports, etc., instead of such appointment being done by the Central Government, as at present. Every notification issued under section 7 and in force immediately before the commencement of the Finance Act, 2003, is proposed to be saved until it is amended, varied, rescinded or superseded.

Clause 99 seeks to amend section 15 of the Customs Act so as to provide that the date for determination of rate of duty and tariff valuation in respect of goods cleared from a warehouse shall be the date when a bill of entry for home consumption in respect of such goods is presented under section 68 of the said Act.

Clause 100 seeks to amend section 25 of the Customs Act. Sub-clause (i) seeks to substitute sub-section (2) so as to exempt payment of duty on any goods on which duty is leviable, by special order in circumstances of an exceptional nature to be stated in such order. Sub-clause (ii) seeks to make a provision not to collect duty equal to or less than hundred rupees.

Clause 101 seeks to amend section 27 of the Customs Act so as to enable, *inter alia*, an exporter to claim refund of duty and interest paid by him, if he had not passed on the incidence of such duty and interest to any other person.

Clause 102 seeks to amend section 28 of the Customs Act so as to do away with the requirement of obtaining prior approval of the Commissioner of Customs or the Chief Commissioner of Customs, as the case may be, before issuing a notice of demand for duty.

Clause 103 seeks to amend section 28E of the Customs Act.

Sub-clause (a) seeks to amend the definition of "applicant" as given in clause (c) of section 28E so as to enable the wholly

owned subsidiary Indian company, of which the holding company is a foreign company, which is proposing to undertake any business activity in India, also to make application for advance rulings.

Sub-clause (b) seeks to amend clause (h) of section 28E so as to define the terms “non-resident”, “Indian company” and “foreign company” in terms of the definitions given in the Income-tax Act, 1961.

Clause 104 seeks to amend sub-section (2) of section 28H of the Customs Act so as to provide that the advance rulings may also be sought in respect of applicability of all notifications issued under the Customs Act, the Customs Tariff Act, 1975 (hereinafter referred as the Customs Tariff Act) and any duty chargeable under any other law for the time being in force in the same manner as in respect of matters already specified.

Clause 105 seeks to substitute sub-section (1) of section 30 of the Customs Act so as to provide that the person in-charge of a vessel or an aircraft or a vehicle or any other person specified by the Central Government shall deliver an import manifest or import report to the proper officer within the time-limit specified therein and if such import manifest or import report is not delivered to the proper officer within the time period and sufficient cause is not shown for such delay, then the person in-charge or other person shall be liable to a penalty not exceeding fifty thousand rupees.

Clause 106 seeks to amend section 61 of the Customs Act extending the period for which goods may remain warehoused.

Sub-clause (a) seeks to amend sub-section (1) of section 61 so as to extend the warehousing period to three years for goods (other than capital goods) intended for use in a hundred per cent. export-oriented undertaking.

Sub-clause (b) seeks to amend sub-section (2) of section 61 so as to extend the interest free period on warehoused goods from thirty days as at present to ninety days.

Clause 107 seeks to amend section 68 of the Customs Act so as to allow the owner of any warehoused goods to relinquish his title to the goods upon payment of rents, interest, other charges and penalties, before the proper officer has made an order for clearance of such goods for home consumption.

Clause 108 of the Customs Act seeks to amend section 75A of the Customs Act so as to reduce the period from two months to one month beyond which interest is payable to the claimant, after filing of a drawback claim.

Clause 109 seeks to amend section 113 of the Customs Act relating to confiscation of goods attempted to be improperly exported.

Sub-clause (a) seeks to amend section 113 so as to extend the provisions of that section to exports of non-dutiable and non-prohibited goods by omitting the words “dutiable or prohibited” occurring in the said section.

Sub-clause (b) seeks to substitute clause (i) of section 113 so as to provide that the export goods, in respect of which there is any misdeclaration with reference to value or any other material particular, shall be liable to confiscation.

Sub-clause (c) seeks to amend clause (k) of section 113 so as to extend the provisions of the said section to exports under all export promotion schemes by omitting the words “under a claim for drawback” occurring in the said clause.

Clause 110 seeks to amend section 114 of the Customs Act relating to penalty for export offences.

Sub-clause (a) seeks to amend section 114 so as to provide that in the case of offences involving attempt to export prohibited goods, the penalty shall be three times of the value of such goods

as declared by the exporter or the value as determined under the said Act, whichever is the greater.

Sub-clause (b) seeks to amend section 114 so as to lay down that in the case of offences involving attempt to export goods other than prohibited or dutiable goods, the penalty shall not exceed the value of such goods as declared by the exporter or the value as determined under the said Act, whichever is the greater.

Clause 111 seeks to amend section 122 of the Customs Act relating to adjudication of confiscation and penalties. It is proposed to enhance the pecuniary limit of adjudication of the Assistant Commissioner of Customs or Deputy Commissioner of Customs in terms of value of the goods liable to confiscation from fifty thousand rupees as at present to two lakh rupees. The pecuniary limit of adjudication of a Gazetted Officer of Customs lower in rank than an Assistant Commissioner of Customs is being proposed to be raised from two thousand five hundred rupees as at present to ten thousand rupees.

Clause 112 seeks to amend section 129 of the Customs Act, *inter alia*, to rename the Customs, Excise and Gold (Control) Appellate Tribunal as the Customs, Excise and Service Tax Appellate Tribunal and to abolish the post of Senior Vice-President in the said Tribunal and other consequential matters relating thereto.

Clause 113 seeks to substitute section 130 of the Customs Act so as to provide that appeals against an order of the Appellate Tribunal (on matters other than relating to the determination of any question having a relation to the rate of duty of customs or to the value of goods for purposes of assessment) shall be filed in the High Court and the High Court will formulate the question of law after satisfying itself that substantial question of law is involved. The new provision shall apply to the orders of the Appellate Tribunal on or after the 1st day of July, 2003. An appeal under the proposed section shall be filed within one hundred and eighty days of the receipt of the order appealed against by the Commissioner of Customs or the other party. The appeal by the other party shall be accompanied with a fee of two hundred rupees.

Clause 114 seeks to amend sub-section (1) of section 130A of the Customs Act so as to make changes consequent to the proposed amendment of section 130 *vide* clause 113 of the Bill.

Clause 115 seeks to amend section 130 D of the Customs Act. *Sub-clause (a)* inserts therein sub-section (1A) to provide that effect shall be given to the judgment of the High Court in an appeal by the proper officer. *Sub-clause (b)* seeks to carry out certain consequential amendment in sub-section (2).

Clause 116 seeks to amend section 130E of the Customs Act which relates to appeal in Supreme Court. The amendment is a consequential amendment to the appellate jurisdiction provided to the High Court.

Clause 117 seeks to amend section 135 of the Customs Act so as to provide for prosecution in cases of misdeclaration of value of goods and of fraudulent exports.

Clause 118 seeks to amend section 136 of the Customs Act so as to provide for prosecution of officers of customs who connive at any act or thing whereby any fraudulent export is effected.

Clause 119 seeks to amend notification Nos.G.S.R. 465(E), dated the 3rd May, 1990 and G.S.R.423(E), dated the 20th April, 1992 issued under sub-section (1) of section 25 of the Customs Act in terms of the Second Schedule. It is proposed to extend the time-limit for fulfilment of export obligations in respect of the licence holders whose units were affected by the earthquake which took place in January, 2001 in the State of Gujarat. This extension of time is subject to certain conditions and would be available beyond the 31st March, 2002 and till 31st March, 2004.

Clause 120 seeks to amend certain notifications issued under sub-section (1) of section 25 of the Customs Act relating to export promotion schemes with retrospective effect in terms of the Third Schedule to reduce the rate of interest from twenty-four per cent. to fifteen per cent.

Clause 121 seeks to levy additional duty of customs on tea and tea waste as surcharge at the rate of one rupee per kg. and also to provide that the proceeds will be for the purposes of the Union.

Customs Tariff

Clause 122 seeks to amend section 3 of the Customs Tariff Act so as to provide retrospectively *i.e.* with effect from the 1st day of March, 2002, that for computation of additional duty of customs, the value of the imported article including the landing charges and the customs duty chargeable on the said article shall be taken into account. Other duties such as anti-dumping duty, safeguard duty, etc., shall not be taken into account.

Clause 123 seeks to amend section 3A of the Customs Tariff Act so as to provide retrospectively *i.e.* with effect from the 1st day of March, 2002, that for computation of special additional duty of customs, the value of the imported article including the landing charges, the customs duty chargeable on the said article, and the additional duty of customs chargeable under section 3 of the said Act shall be taken into account. Other duties such as anti-dumping duty, safeguard duty, etc., shall not be taken into account.

Clause 124 seeks to amend section 9A of the Customs Tariff Act relating to anti-dumping duty on dumped articles so as to substitute the words "territory or" occurring in item (a) of sub-clause (ii) of clause (c) of the *Explanation* in sub-section (1) of the said section by the words "territory to".

Clause 125 seeks to amend sub-section (1) of section 9C of the Customs Tariff Act so as to replace reference to "Gold (Control)" by "Service Tax" consequent to the proposed renaming of the Customs, Excise and Gold (Control) Appellate Tribunal as the Customs, Excise and Service Tax Appellate Tribunal.

Clause 126 seeks to levy a National Calamity Contingent Duty of customs on the goods specified in the Seventh Schedule to the Finance Act, 2001, as well as on the goods specified in the Thirteenth Schedule, at the rates prescribed in the respective Schedules and also to provide that the proceeds will be only for the purposes of the Union. The levy on the goods specified in the Thirteenth Schedule shall be effective only upto the 29th day of February, 2004.

Excise

Clause 127 seeks to amend section 2 of the Central Excise Act relating to definitions under the said Act.

Sub-clause (a) seeks to amend clause (aa) of section 2 so as to replace reference to "Gold (Control)" by "Service Tax" consequent to proposed renaming of Customs, Excise and Gold (Control) Appellate Tribunal as Customs, Excise and Service Tax Appellate Tribunal.

Sub-clause (b) seeks to substitute sub-clause (iii) of clause (f) of section 2 so as to provide that the packing or repacking of goods in a unit container, labelling or relabelling of container, declaration or alteration of retail sale price on the container or adoption of any other treatment to render the product marketable to the consumer, in relation to the goods specified in the Third Schedule shall amount to manufacture. The power of the Central Government to notify a process as amounting to "manufacture" as provided in clause (f) inserted by the Finance Act, 2002 is proposed to be withdrawn.

Clause 128 seeks to amend section 4 of the Central Excise Act relating to valuation of excisable goods for purposes of charging duty of excise.

Sub-clause (a) seeks to amend sub-section (1) of section 4 so as to provide that the price-cum-duty of the excisable goods shall be deemed to include the duty payable in relation to such goods.

Sub-clause (b) (i) seeks to amend sub-section (3) of section 4 so as to provide that the place of removal shall also include a depot, premises of consignment agent or any other place or premises from which the excisable goods are to be sold after clearance from the factory.

Sub-clause (b) (ii) seeks to provide that the time of removal in respect of goods cleared under sub-clause (iii) of clause (c) of sub-section (3) of said section 4 shall be deemed to be the time at which goods are cleared from the factory.

Clause 129 seeks to substitute sub-section (4) of section 4A of the Central Excise Act so as to provide that where any goods specified under sub-section (1) of the said section are removed by a manufacturer without a correct declaration of the retail sale price or where the manufacturer tampers with, obliterates or alters the retail sale price declared after removal of the goods from the place of manufacture, such goods are liable to confiscation and the Central Government may ascertain the retail sale price of such goods in a manner as may be prescribed. Where the retail sale price declared is altered subsequent to its clearance from the place of manufacture so as to increase the retail sale price, such altered retail sale price shall be deemed to be the retail sale price for the purposes of the said section. The definition of retail sale price shall be construed to exclude any taxes local or otherwise, if the provisions of the Act, rules, or any other law referred to in sub-section (1) of said section 4A require declaration of the retail sale price excluding such taxes, on the package containing the excisable goods.

Clause 130 seeks to substitute sub-section (2) of section 5A of the Central Excise Act so as to empower the Central Government to exempt goods from payment of excise duty, under circumstances of an exceptional nature.

Clause 131 seeks to amend section 11A of the Central Excise Act relating to recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded.

Sub-clause (a) seeks to amend sub-section (1) of said section 11A so as to omit the requirement for prior approval of a notice of demand, by the Commissioner of Central Excise or Chief Commissioner of Central Excise, as the case may be.

Sub-clause (b) seeks to amend sub-section (2B) of said section 11A so as to provide that no notice under sub-section (1) of that section shall be served where the person chargeable with the duty of excise pays such duty as is prescribed in the said sub-section (2B), on his own ascertainment or on the basis of duty ascertained by a Central Excise officer.

Clause 132 seeks to insert new section 11DD in the Central Excise Act relating to interest on the amounts collected in excess of the duty as provided in the Central Excise Act. This provision lays down that interest at not less than ten per cent. and not exceeding thirty-six per cent. shall be recoverable on the amounts collected in excess of duty payable, as is determined under sub-section (3) of said section 11D of the said Act.

Clause 133 seeks to substitute section 13 of the Central Excise Act so as to provide that the power to arrest any person can be exercised by Central Excise Officers not below the rank of Inspector of Central Excise, only with the prior approval of the Commissioner.

Clause 134 seeks to amend section 23A of the Central Excise Act relating to advance rulings.

Sub-clause (a) seeks to substitute clause (c) of said section 23A so as to allow the wholly owned subsidiary Indian company,

of which the holding company is a foreign company, which is proposing to undertake any business activity in India, also to make application for advance rulings.

Sub-clause (b) seeks to amend clause (f) of said section 23A so as to define the terms “non-resident”, “Indian company” and “foreign company” in terms of the definitions given in the Income-tax Act, 1961.

Clause 135 seeks to amend sub-section (2) of section 23C of the Central Excise Act so as to provide that advance rulings may also be sought in respect of applicability of all notifications issued under the Central Excise Act, the Central Excise Tariff Act and any duty chargeable under any other law for the time being in force in the same manner as in respect of matters already specified and also in respect of admissibility of credit of duty.

Clause 136 seeks to substitute section 35G of the Central Excise Act so as to provide that all appeals against orders of the Appellate Tribunal (on matters other than relating to the determination of any question having a relation to the rate of duty of excise or to the value of goods for purposes of assessment) shall be filed with the High Court and the High Court will formulate the question of law after satisfying itself that substantial question of law is involved. The new provision shall apply to the orders of the Appellate Tribunal passed, on or after the 1st day of July, 2003. An appeal under the said section shall be filed within one hundred and eighty days of the receipt of the order appealed against by the Commissioner of Central Excise or the other party. The appeal by the other party shall be accompanied by a fee of two hundred rupees.

Clause 137 seeks to amend sub-section (1) of section 35H of the Central Excise Act so as to make consequential changes as per the amendment of section 35G of the said Act.

Clause 138 seeks to amend section 35K of the Central Excise Act to insert therein sub-section (1A) to provide that effect shall be given of a judgment of the High Court in an appeal by the concerned Central Excise Officer and also certain consequential amendment has been made in sub-section (2) of the said section.

Clause 139 seeks to amend section 35L of the Central Excise Act which relates to the appeal in Supreme Court. This amendment is a consequential amendment to the appellate jurisdiction provided to the High Court.

Clause 140 seeks to insert a Schedule, namely, the Third Schedule to the Central Excise Act. Sub-clause (iii) of clause (f) of section 2 of the Central Excise Act specifies certain processes carried out in respect of the goods specified in the proposed Third Schedule as amounting to “manufacture”.

Clause 141 seeks to amend sub-rules (5) and (8) of rule 57R of Central Excise Rules retrospectively, i.e. with effect from the dates and in the manner as specified in the Sixth Schedule so as to omit the references to a manufacturer claiming deduction of the credit on capital goods as revenue expenditure under the Income-tax Act, 1961 and to lay down that credit of specified duty paid in respect of that part of the value of capital goods representing the duty paid on such capital goods as depreciation under the said Income-tax Act.

Clause 142 seeks to amend rule 57F of Central Excise Rules retrospectively with effect from the 8th day of July, 1999, and rule 57AB of the said rules retrospectively with effect from the 1st day of April, 2000, so as to provide that the credit of duty paid on the inputs used in the manufacture of final products cleared after availing of the exemption under notification numbers 32/99-Central Excise and 33/99-Central Excise both dated the 8th July, 1999 [G.S.R. 508(E) and G.S.R. 509(E) both dated the 8th July, 1999], shall be utilized only for payment of duty on final products cleared under the said notifications.

Clause 143 seeks to amend rule 3 of CENVAT Credit Rules, 2001 retrospectively with effect from the 1st day of July, 2001, so as to provide that the credit of duty paid on the inputs used in the manufacture of final products cleared after availing of the exemption under notification numbers 32/99-Central Excise and 33/99-Central Excise both dated the 8th July, 1999 [G.S.R. 508(E) and G.S.R. 509(E) both dated the 8th July, 1999], shall be utilized only for payment of duty on final products cleared under the said notifications.

Clause 144 seeks to amend rule 3 of CENVAT Credit Rules, 2002 with retrospective effect i.e. on and from the 1st day of March, 2002, vide notification number G.S.R. 835(E), dated the 23rd December, 2002 so as to provide that the credit of duty paid on the inputs used in the manufacture of final products cleared after availing of the exemption under notification numbers 32/99-Central Excise and 33/99-Central Excise both dated the 8th July, 1999, shall be utilized only for payment of duty on final products cleared under the said notifications.

Clause 145 seeks to retrospectively amend notification numbers G.S.R. 508 (E) and G.S.R. 509(E) both dated the 8th July, 1999 on and from the 8th day of July, 1999 to the 22nd day of December, 2002 so as to provide that the amount of refund allowable under the said notifications shall not exceed the amount of duty paid less the amount of CENVAT Credit availed of, in respect of the duty paid on the inputs used in or in relation to the manufacture of goods cleared under the respective notifications.

Clause 146 seeks to retrospectively amend notification numbers 32/99-Central Excise and 33/99-Central Excise both dated the 8th July, 1999 [G.S.R. 508(E) and G.S.R. 509(E) both dated the 8th July, 1999], in the manner specified in the Ninth Schedule, so as to—

(a) exclude cigarettes falling under Chapter 24 and pan masala containing tobacco falling under heading 21.06 or 24.04 from the scope of the said exemption notifications with effect from the 8th of July, 1999;

(b) exclude all goods falling under chapter 24 from the scope of the said exemption notifications with effect from the 1st day of March, 2001; and

(c) to exclude four oil refineries in North-East from the scope of the said exemption notifications with effect from 12th day of February, 2002.

Central Excise Tariff

Clause 147 seeks to amend the First and Second Schedules to the Central Excise Tariff Act.

Sub-clause (a) seeks to amend the First Schedule to the Central Excise Tariff Act so as to —

(a) increase the excise duty in respect of articles falling under Chapters, headings and sub-headings Nos., namely :—

“Chapter 15 (heading Nos. 15.02, 15.03 and 15.04 and sub-heading No. 1508.90), 25 (sub-heading Nos. 2502.10 and 2502.29), 59 (sub-heading No. 5906.91)”;

(b) change the mode of levy of excise duty from specific to *ad valorem* in respect of articles falling under Chapter and sub-headings No., namely :—

“Chapter 36 (sub-heading No. 3605.90)”;

(c) change the mode of levy of excise duty from *ad valorem* to *ad valorem-cum-specific* in respect of articles falling under Chapter and sub-headings Nos., namely :—

“Chapter 87 (sub-heading Nos. 8706.29, 8706.42 and 8706.49)”;

(d) amend the Chapter Notes and the tariff descriptions so as to :-

- (i) clarify that certain processes amount to manufacture in Chapter Note 3 to Chapter 11;
- (ii) clarify that certain processes amount to manufacture in Chapter Note 4 in Chapter 15;
- (iii) clarify that certain processes amount to manufacture in Chapter Note 5 in Chapter 73;
- (iv) substitute sub-heading No. 2710.90.

Sub-clause (b) seeks to amend the said Second Schedule so as to decrease the excise duty in respect of articles falling under Chapters, headings and sub-headings Nos., namely :-

“Chapter 21 (sub-heading No. 2108.10), Chapter 22 (sub-heading Nos. 2201.20 and 2202.20) Chapter 40 (sub-heading Nos. 4011.90, 4012.11, 4012.19, 4012.90 and 4013.90), Chapter 54 (sub-heading Nos. 5402.20, 5402.32, 5402.42, 5402.43, 5402.52 and 5402.62), Chapter 84 (heading No. 84.15), Chapter 87 (sub-heading Nos. 8702.10, 8703.90, 8704.90, 8706.21, 8706.39 and 8706.49)”.

Clause 148 seeks to amend the Second Schedule to the Additional Duties of Excise (Goods of Special Importance) Act so as to enable the States to levy sales tax on sugar, textiles and tobacco products at a rate not exceeding four per cent. without being denied the share of the total tax revenue. The amendment will come into effect from a date to be notified.

Clause 149 seeks to levy additional duty of excise on tea and tea waste at the rate of one rupee per kg. and also to provide that the proceeds will be for the purposes of the Union.

Service tax

Clause 150 seeks to amend retrospectively section 68 and to insert new section 71A in the Finance Act, 1994 during the period beginning from 16th day of July, 1997 and ending with 16th day of October, 1998 to validate the collection of service tax from the customer in case of services provided by goods transport operators and clearing and forwarding agents.

Clause 151 seeks to amend Chapter V of the Finance Act, 1994 relating to service tax.

(a) sub-clause (a) seeks to substitute section 65 of the Finance Act, 1994 and also to insert a new section 65A relating to classification of taxable services. In addition to the services in respect of which service tax is leviable, it is proposed to levy service tax in respect of the following services, namely,-

- (i) a commercial concern in relation to business auxiliary services;
- (ii) a commercial coaching or training centre in relation to commercial coaching or training;
- (iii) a commissioning or installation agency in relation to commissioning or installation;
- (iv) a franchisor in relation to franchise;
- (v) by an internet café in relation to access of internet;
- (vi) any person in relation to maintenance or repair;
- (vii) a technical testing and analysis agency in relation to technical testing and analysis and technical inspection and certification agency in relation to technical inspection and certification
- (viii) an authorized service station, in relation to any service or repair of any maxi cab;

(ix) a foreign exchange (forex) broker other than a non-banking financial company including financial institution and a body corporate, in relation to banking and other financial services;

(x) minor port or any person authorized by the minor port in relation to goods or vessels in addition to the services;

(b) sub-clause (b) seeks to substitute section 66 so as to raise the rate of service tax from five per cent. to eight per cent. in respect of services already liable to pay service tax. The said clause also lays down that with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, service tax at the rate of eight per cent. of the value of the taxable services shall be levied and collected on the new services referred to in sub-clause (a) above;

(c) sub-clause (c) seeks to amend section 67 of the said Act so as to clarify that the cost of parts or other materials, if any, sold to the customer during the course of providing maintenance or repair service or the cost of parts or other materials, if any, sold to the customer during the course of providing commissioning or installation services shall not be included while computing the service tax payable;

(d) sub-clause (d) seeks to amend section 73 of the said Act so as to provide for *suo motu* dropping of proceeding and non-issuance of show cause notice in a case where the amount of service tax short-paid or not paid, is paid voluntarily along with interest thereon by the assessee within one year, except cases involving mis-statement or suppression of facts;

(e) sub-clause (e) seeks to amend section 78 of the said Act. The said section deals with penalty for suppressing value of taxable service. If the service tax determined under sub-section (1) of section 73 and the interest payable thereon under section 75 are paid within thirty days of the communication of order of the Assistant Commissioner of Central Excise, or as the case may be, the Deputy Commissioner of Central Excise determining the service tax the amount of penalty will be reduced to twenty five per cent. of the service tax, if paid within thirty days;

(f) sub-clause (f) seeks to amend section 83 of the said Act to make applicable sections 11C and 12 of the Central Excise Act, 1944 in relation to service tax;

(g) sub-clause (g) seeks to amend section 85 of the said Act to enable an appeal to be filed to Commissioner (Appeals) against order of the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be, for denying any refund of service tax;

(h) sub-clause (h) seeks to amend section 94 of the said Act so as to empower the Central Government to make rules to provide the credit of service tax paid on the services consumed and duties paid or deemed to have been paid on goods in relation to a taxable service;

(i) sub-clause (i) seeks to amend section 95 of the said Act so as to empower the Central Government to issue orders to clarify the scope of taxable service and value thereof, etc., in respect of taxable services proposed to be incorporated by the Finance Act, 2003, within two years from the date on which the levy of service tax on the taxable service comes into force;

(j) sub-clause (j) seeks to insert a new Chapter VA in the said Act to provide for advance rulings in respect of a question of law or fact regarding the liability to pay service tax in relation to a service proposed to be provided, in the manner specified. The Authority for Advance Rulings constituted under section 25F of the Customs Act shall be the said Authority in respect of such matters.

Clause 152 seeks to amend notification No. 43/97 SERVICE TAX, dated the 5th November, 1997 [G.S.R. 639(E), dated the 5th

November, 1997] and to give it retrospective effect from the 16th November, 1997 so as to exempt service tax on goods transport operator services provided to small-scale industries registered with the State Government and a private limited company which is also a solely and exclusively trading company.

Central Sales Tax

Clause 153 seeks to amend section 6 of the Central Sales Tax Act (hereinafter referred to as the Central Sales Tax Act), so as to empower the Central Government to exempt, by notification in the Official Gazette and subject to such conditions as may be imposed by it, any official or personnel of any foreign diplomatic mission or consulates in India, or the United Nations or any other similar international body, entitled to privileges under any Convention or any law for the time being in force from payment of tax payable on purchase of goods for themselves or for the purposes of those missions, United Nations, or other international bodies.

Clause 154 seeks to amend section 8 of the Central Sales Tax Act, so as to empower the Central Government to reduce rate of tax with effect from a date to be notified, from four per cent. to two per cent.

Clause 155 seeks to amend section 20 of the Central Sales Tax Act, to enable a dealer to file appeal to the Central Authority against any order of the assessing authority only where an inter-State dispute is involved. This should be done within forty-five days from the date of service of the order which may be extended to sixty days if the appellant was prevented by sufficient cause from filing the appeal.

Clause 156 seeks to amend section 21 of the Central Sales Tax Act to enable the Authority also to forward the copy of appeal to the concerned State Government and to call upon it to furnish relevant records. The records furnished by the State Government concerned shall as soon as possible be returned to it.

Clause 157 seeks to amend section 23 of the Central Sales Tax Act to empower the Authority to regulate its procedure in respect of the stay of recovery of any demand also.

Miscellaneous

Clause 158 seeks to insert sections 46B and 46C into the Finance Act, 1989 so as to make provision for penalty on the carrier and the offences by companies relating thereto, who fails, to pay, to the credit of Central Government, the inland air travel tax collected from a passenger.

Clause 159 seeks to amend the Second Schedule to the Finance (No. 2) Act, 1998 so as to increase the additional duty of excise or additional duties of customs, as the case may be, on motor spirit commonly known as petrol from one rupee per litre to one rupee and fifty paise per litre.

Clause 160 seeks to amend the Second Schedule to the Finance Act, 1999 so as to increase the additional duty of excise or additional duties of customs, as the case may be, on high speed diesel oil from one rupee per litre to one rupee and fifty paise per litre.

Clause 161 seeks to amend the Seventh Schedule to the Finance Act, 2001, so as to levy National Calamity Contingent Duty, on goods specified in the Thirteenth Schedule to this Bill at the rates mentioned therein. The said amendment shall be effective only up to and inclusive of 29th day of February, 2004.