

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
ODISHA, CUTTACK

No. 12539 /CT.,
POL-56/3/2017

Dated. 17 / 08 /2017

CIRCULAR

After implementation of the GST Acts w.e.f. 01.07.2017, representations have been received from various quarters seeking clarification on different aspects of the Central Sales Tax Act such as Liability, Return, Registration and the eligibility to make interstate purchase of goods against Form C. The issues raised in the representations have been examined and clarification as given below is hereby issued for information of all concerned.

1. In the Constitution (One Hundred and First Amendment) Act, 2016 which paved the way for enactment of the GST Acts (CGST Act, SGST Act and IGST Act), powers of the States and the Union of India to levy tax on sale of six goods i.e. (i) Alcoholic liquor for human consumption, (ii) Petroleum crude, (iii) High speed diesel, (iv) Motor spirit (commonly known as petrol), (v) Natural gas and (vi) Aviation turbine fuel has been retained whereas all other goods have been subjected to levy of GST under the GST Acts.
2. Consequent upon such amendment of the Constitution, the CST Act and the OVAT Act have also been amended. In the amended CST Act and OVAT Act, the word "Goods" means only the aforesaid six goods which are not subjected to levy of GST. Therefore, post-amendment, the provisions of the CST Act as well as the OVAT Act are now applicable to these six goods only.
3. As a result, the dealers dealing in goods other than these six goods have ceased to be the dealers for the purpose of the amended CST Act w.e.f. 01.07.2017 (date from which the amendment of Section 2 (d) of the Act is made effective). Dealers making interstate sale of any goods other than these six goods have ceased to be liable to pay tax under the CST Act w.e.f. 01.07.2017 and hence they need not file any return under the CST Act. The registration granted earlier u/s 7 (1) of the CST Act to such dealers, whose liability has now ceased, has become infructuous.
4. Some dealers, despite not having liability to pay tax under the CST Act, were registered u/s 7(2) of the CST Act because they were earlier liable to pay tax for their sales under the pre-amended OVAT Act. Now, consequent upon amendment of the OVAT Act w.e.f. 01.07.2017, dealers not selling the aforesaid six goods are no more liable to pay tax under the OVAT Act. Therefore, with the cessation of their liability under the OVAT Act, they are no more eligible for registration u/s 7 (2) of the CST Act and hence the registration granted earlier in their favour u/s 7 (2) of the CST Act has become invalid.
5. Dealers making interstate sale of only the aforesaid six goods will continue to be liable to pay tax under the CST Act and the registration granted earlier in their favour under the CST Act will continue to remain valid. They need not apply afresh and can file return as before on the strength

of registration granted earlier. Such dealers can also make interstate purchase of the aforesaid six goods against Form C only for re-sale or for use in manufacture or processing of any of the aforesaid six goods. New dealers attracting liability on account of interstate sale of these aforesaid six goods can apply for registration which can be granted to them u/s 7 (1) of the CST Act.

6. Dealers liable to pay tax under the OVAT Act on account of intra-state sale of the aforesaid six goods and already registered under the OVAT Act and CST Act as on 30.06.2017, will continue to be so liable and the registration granted under both the Acts will continue to remain valid even after 30.06.2017. They can make interstate purchase of any of the aforesaid six goods against Form C only for re-sale or for use in manufacture or processing of any of the aforesaid six goods.
7. New dealers attracting liability on account of sale of the aforesaid six goods or intending to do manufacturing or processing of the aforesaid six goods for sale can apply for registration under the OVAT Act and registration can be granted to such dealers. If any such dealer intends to make inter-state purchase of the aforesaid six goods for re-sale within Odisha or for use of such goods in manufacturing or processing of the aforesaid six goods for sale can apply for registration under both the OVAT Act and CST Act and registration can be granted under both the Acts in such cases.
8. For issue of pending C Forms against transactions made before 01.07.2017 by the registered dealers whose registration under the CST Act has become invalid or infructuous w.e.f. 01.07.2017, they can apply online by 30.09.2017 in State Commercial Tax Portal for issue of such forms. In such cases, forms will be issued by the jurisdictional officer after due scrutiny and approval of the online application.
9. It is hereby made clear that dealers (including works contractors) who were, till 30.06.2017, making interstate purchase of Petrol and High Speed Diesel against Form C for use in the manufacture or processing of goods other than the aforesaid six goods or for use in the telecommunication network or for use in mining or for use in the generation or distribution of electricity or any other form of power, have ceased to be the dealers under the CST Act w.e.f. 01.07.2017 as their liability to pay tax under the amended OVAT Act has ceased w.e.f. 01.07.2017. As a result, their eligibility for registration under the CST Act has ceased and the registration already granted has become invalid w.e.f. 01.07.2017. Consequently, they cannot make interstate purchase of these aforesaid six goods (Petrol, High Speed Diesel, Petroleum Crude, Natural Gas, ATF and Alcoholic Liquor for Human consumption) against Form C w.e.f. 01.07.2017.

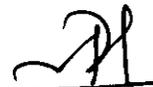


Commissioner of Sales Tax
Odisha, Cuttack

Memo No. 12590CT

Dated. 17 / 08 /2017

Copy forwarded to the Principal Secretary to Finance Department, Government of Odisha for kind information.



Commissioner of Sales Tax
Odisha, Cuttack

Memo No. 12591 /CT

Dated. 17 / 08 /2017

Copy forwarded to all Special Commissioners / All Additional Commissioners (H.O.)/ Additional Commissioner (Vigilance)/ JCSTs of all the Territorial Ranges /DCSTs in charge of all the Enforcement Ranges/ Vigilance Divisions/ All DCSTs/ACSTs/ STOs in charge of Circles/Assessment Units/ STOs in charge of Investigation Units for information and necessary action.

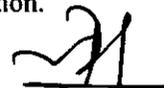


Commissioner of Sales Tax
Odisha, Cuttack

Memo No. 12592CT

Dated. 17 / 08 /2017

Copy forwarded to the ACCT (IT)/ System Analyst for information they are requested to take necessary steps for placing the notification in the CTD web-site for general information.



Commissioner of Sales Tax
Odisha, Cuttack

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