

WEST BENGAL BUDGET TAX PROPOSALS 2014-15

The Budget for West Bengal was tabled yesterday by the State FM Shri Amit Mitra. The Tax proposals were mainly aimed at giving relief to salaried individuals as well as small business and traders. The major tax proposals are highlighted below:

Professional Tax –

- The budget proposed that salaried individuals earning upto Rs. 8500/- per month would not have to pay any professional tax. The earlier ceiling was Rs. 7000/- per month.
- Professionals had to pay profession tax on annual gross income exceeding Rs. 18,000. It has been propose to increase the exemption limit to Rs. 60,000 per annum.
- Similarly, businessmen and traders had to pay profession tax irrespective of any turnover. It has been proposed to provide exemption of profession tax upto turnover of Rs. 5 lakh to help lakhs of small businessmen.
- The profession tax schedule at present run into several pages with nearly hundred entries. It has been proposed to reduce the same to 4 pages.
- It has been proposed to introduce automatic enrolment and registration through the web-based electronic module and self-generation of the dematerialised registration or enrolment certificate for profession tax.
- Amnesty Scheme proposed to be reintroduced by way of a new scheme of enrolment and registration upon payment of only Rs.1,000 to Rs. 2,000 with no interest and no penalty.

VAT REGISTRATION:

- It has been proposed to introduce automatic registration of a dealer upon filing of online application.
- Also proposal has been given to do away with the provision of requirement of proof of submission of sale invoices of minimum Rs. 50,000.

OTHER MAJOR PROPOSALS

- It has been proposed to allow input tax credit on old plant and machinery used for manufacturing goods.
- It has been proposed to extend the benefit of pre assessment refund to all dealers having accumulated input tax credit on account of inter-State sales.
- A Large Taxpayer Unit is being proposed to be set up for facilitating better services to large dealers. There will be a single nodal officer for most of the services and for statutory compliance with regard to VAT, Sales Tax, CST Profession Tax, Entry Tax.
- As regards delay in refund mechanism, it has been proposed to do away with pre-verification visit of the Sales Tax officials to the dealers place before grant of pre-assessment refund.
- As regards rate of VAT, it has been proposed to provide relief on some items such as sanitary napkins with MRP upto Rs. 25, hair bands and hair clips and also on gas stove including LPG stove costing not more than Rs. 1000/-. Rate has been proposed to be reduced to 5% from existing 14.5%.