PRESS NOTE

Tax Proposal for the year 2013-2014

Value Added Tax (VAT)

- **Lump sum tax**
  - Total turnover limit of ₹ 50 lacs increased to ₹ 75 lacs in order to make available the benefits of the provision of lump sum tax to more dealers of the State, under section 14.
  - Approximately additional 23000 dealers would be benefitted by this provision.
- **Micro irrigation system equipments**
  - Full exemption to micro irrigation system equipments from current rate of tax 5% including additional tax to encourage its use in agriculture.
- **Educational items for study of the students**
  - Full exemption to pencils of all types, foot rules, slide rules, mathematical instruments and its box, school color box, rubber erasers and pencil sharpeners from current rate of tax 5% including additional tax.
- **Newar made of plastic**
  - Full exemption to newar made of plastic from current rate of tax 5% including additional tax in order to give relief to the poor and middle class people in rural and urban areas.
- **Agarbatti dust**
  - Full exemption to agarbatti dust.
- **Carbon credit**
  - In order to encourage the use of carbon credit, included in entry 41 of Schedule II as an intangible or incorporeal goods and made it taxable at the rate of 5% including additional tax.

- **Cigarette**
  - The rate of tax on cigarette made from tobacco increased from the present rate of tax 25% including additional tax to 30% including additional tax.

- **Second hand (used) two wheelers and second hand (used) commercial vehicles:**
  - Sale of second hand (used) two wheelers made taxable at the rate of 1% (subject to maximum ₹ 500)
  - Sale of second hand (used) medium and heavy duty commercial vehicles made taxable at the rate of 1% (subject to maximum ₹ 5000).

Entertainment tax

- **Lump Sum Entertainment tax for video houses**
  - In order that the relief relating to lump sum tax reaches to the needy classes only, option of lump sum tax would be available to only those video houses which fulfill the following conditions:

(1) The rate of entry into the place of entertainment shall not be more than ₹ 30/- per person.

(2) Entertainment (showing of films) can be provided using any kind of technology.

(3) The maximum number of seats in the entertainment place shall not be more than 125.

(4) There shall not be more than one screen in the premises.

Profession Tax

- Full exemption to the salary and wage earners having salaries or wages up to ₹ 6000 per month in order to give relief to the neo middle class.

Electricity Duty

- **Electricity Duty on self generation**
  - In order to minimize the gap between industrial units consuming self generated electricity and industrial units purchasing electricity from the electricity distribution companies, the present rate of electricity duty for self generation is increased by 15 paise per unit and made 55 paise per unit for H.T. and L.T. consumers.