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KEY HIGHLIGHTS OF CHANGES MADE IN DVAT LAW BY DELHI BUDGET 2013-2014

Regarding Registration under DVAT

- As a major relief to small traders, the threshold limit for Registration under VAT has been proposed to be raised from *10 lakh Rupees to 20 lakh Rupees*
- To simplify setting up of business in Delhi and improving transparency, it is proposed to introduce a new facility of *Online Registration* under the Delhi Value Added Tax Act and the Central Sales Tax Act under which, entire chain of events including registration, filing of returns, payment of tax, downloading of Central Statutory Forms and Self-Assessment will henceforth be effected online

Regarding Rate of Tax under DVAT:

First Schedule

S.No.	Particulars	Proposed Rate
1	Chilly spray used for woman's self defense	0%
2	Pencil boxes and geometry boxes	0%
3	Organic colors	0%
4	Rock salt	0%
	Singhada (water-chestnut) and Kuttu (buck-wheat) flour	0%
	The item Organic manure produced by processing of Municipal Solid Waste (MSW)	0%
	In order to encourage the use of malba in the manufacturing of tiles and kerbstones, it is proposed to exempt levy of VAT on tiles and kerbstones made from construction malba	0%

	The Refuse Derived Fuel, which can be an input for energy production, presently taxed at 12 % is proposed to be exempted	0%

Third Schedule

S.No.	Particulars	Old Rate	Proposed Rate
1	Desi ghee (purified butter)	12 0%	%
2	LED lights	12 0%	%
3	Footwear priced up to Rs 00 has been exempted from Valued Added Tax (VAT)		

- *Desi Ghee attracts VAT @ 12.5%. Butter, being a substitute of Desi Ghee, is being charged VAT @ 5%. VAT on Desi Ghee is proposed to be reduced from 12.5% to 5%.*

LED lights save power and help to improve the environment. It is proposed to reduce the rate of tax on LED lights from 12.5% to 5%

Regarding Filing of DVAT/CST Return:

- For better tax administration, it is proposed to keep a *uniform tax period* for *all the dealers* irrespective of their turnover, i.e. *quarterly* The dealers will now have to file only four returns yearly instead of twelve returns

Regarding Composition Scheme:

- A new composition scheme is to come into effect from April 1, 2013, under which dealers would be allowed to pay a *tax based on their overall turnover.* This scheme will enable the Works Contract dealers to discharge their tax liability in a simplified and hassle-free manner