

**FINANCE DEPARTMENT
(TAX DIVISION)**

NOTIFICATION

Jaipur, March 9, 2015

S.O.272.- In exercise of powers conferred by sub-section (2) of section 20 of the Rajasthan Value Added Tax Act, 2003 (Act No. 4 of 2003), read with sub-rule (6) of rule 40 of the Rajasthan Value Added Rules, 2006, and in supersession of this Department's notification No.F.12(63)FD/Tax/2005-81 dated 11.08.2006, as amended from time to time, the State Government, hereby, with effect from 01.04.2015, notifies that the awarder or any person authorized by him, at the time of credit of any sum to the account of the contractor or at the time of making such payment by any mode, for carrying out any work, shall deduct, in lieu of tax, an amount equal to 6% of such sum, if payment is made to a dealer registered under the said Act and an amount equal to 7% of such sum, if payment is made to any person other than a dealer registered under the said Act, as the case may be:

Provided that in case of contractors having exemption certificate issued under section 8 of the said Act, the awarder or any person authorized by him shall deduct in lieu of tax an amount equal to rate of exemption fee as mentioned in the said exemption certificate.

Provided further that in case of contractors who are exempted from payment of tax leviable in respect of transfer of property in goods involved in the execution of works contracts under notification No.F.12(43)FD/Tax/05-36 dated 24.8.2007, no amount in lieu of tax shall be deducted by the awarder or any person authorized by him.

Provided also that in case of turnkey works contract awarded by Rajasthan Rajya Vidyut Utpadan Nigam Ltd., Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Ajmer Vidyut Vitran Nigam Ltd., Jaipur Vidyut Vitran Nigam Ltd., or Jodhpur Vidyut Vitran Nigam Ltd., to a contractor and in pursuance of transfer of property in goods involved in execution of such works contract, the contractor has supplied the goods against VAT invoice to the awarder and such contractor furnishes proof of deposit of tax in State treasury in respect of such goods by himself or at an earlier points of sale in the State duly certified by the Assessing Authority, the awarder shall deduct an amount equal to the amount to be deducted at the rate notified above on the payment made to the contractor less the amount of tax paid in the State and if this amount has negative value, no tax deduction shall be made.

Provided also that in case of a turnkey works contract awarded by a Department of any Government, a Corporation, a public undertaking, a cooperative society, a local body, a statutory body, an autonomous body, a trust, a private limited company or public limited company, limited liability partnership, having a separate contract for supply of goods, and in pursuance of such contract, the contractors claims that the sale of goods has occasioned in the course of inter State trade and commerce by the contractor to the awarder from outside the State, the assessing authority or an officer authorized by the Commissioner in this behalf on an application submitted by the said contractor, shall within ten days of receipt of such application, on being satisfied that the transaction of sale took place in the course of inter State trade and commerce, pass an order directing the awarder not to deduct the amount in lieu of tax from the payment to be made in this behalf. The order so issued shall be provisional in nature and applicable only for deduction of amount in lieu of

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tax under sub-section (2) of section 20 of the Rajasthan Value Added Tax Act, 2003 and shall be subject to assessment under the said Act.

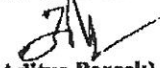
Provided also that in case of works contract related to Metro Rail Project, in Jaipur City awarded by Jaipur Metro Rail Corporation Limited or Delhi Metro Rail Corporation Limited for Jaipur Metro Rail Project, no amount in lieu of tax shall be deducted by the Jaipur Metro Rail Corporation Limited or Delhi Metro Rail Corporation Limited or any person authorized by them.

Provided also that in case of works contract related to construction of houses, for Economic Weaker Section and Low Income Group category in urban areas having maximum sale price up to Rupees 750 per square feet, under the Affordable Housing Policy-2009 issued by the Government of Rajasthan, no amount in lieu of tax shall be deducted by the awardee or any person authorized by him.

Provided also that in case contract awarded by M/s. Rajasthan Rajya Vidhyut Utpadan Nigam Limited, Jaipur (hereinafter referred to as 'RRVUNL'), whether or not an EPC turnkey contract, by separate contract, for supply of equipments and erection, testing and commissioning, related to project for generation of power, awarded on or after 01.04.2012, no amount in lieu of tax shall be deducted by RRVUNL or any person authorized by it, subject to the condition that:-

- (i) the dealer has opted for payment of fee in lieu of tax in terms of notification No. F.12(40)FD/Tax/2012-55 dated 23.08.2012; and
- (ii) the RRVUNL has deducted an amount of fee @1% from bill of payment made by it.

[No.F.12(23)FD/Tax/2015-208]
By order of the Governor,


(Aditya Pareek)
Joint Secretary to the Government