



Analysis of Maharashtra State Budget 2016-2017

Hits

- Provision to file multiple revised returns till the due date of filing of audit report
- e-Registration to be introduced.
- Return acceptance order to be issued in cases that have not been selected for assessment.
- Deemed acceptance of return after a period of 4 years if no assessment notice issued
- Assessing officer to issue intimation regarding proposed tax and interest liability before concluding assessment to give the dealer an option to pay the same and file revised returns, if acceptable in order to close the assessment proceedings.
- Provisions to enable transfer of credit by main contractor to sub-contractor.
- Concept of Advance Ruling Authority incorporated, Current practice of DDQs to stop and pending DDQs to be converted into advance ruling applications
- Amnesty for un-enrolled professionals to enrol between 01.04.2016 to 30.09.2016 and pay the tax and penalty for the corresponding 3 previous years instead of the existing 8 previous years. Post 1st October, 2016, strict action including prosecution is proposed for un-enrolled professionals.
- Armed members of CRPF and BSF exempted from profession tax.
- Composition scheme limit increased from Rs. 50Lacs to Rs. 1 crores

- Bakeries to not consider turnover from sale of exempt goods while determining tax liability under composition scheme
- Setoff of tax paid on passenger motor vehicles to be used for leasing will be allowed to the extent of output tax on lease of such vehicles.

Misses

- Tax rate for goods covered under Schedule C increased from 5% to 5.5%
- Entry tax proposed on marble and granites
- Concept of Fair Market Price to empower the assessing officer to assess a dealer on the basis of fair market price if goods are sold below market price with an intention to evade tax.
- E-commerce companies need to share details of goods purchased-sold from their portals periodically with the Sales Tax department. Penalty in case of non-compliance proposed.
- Increased composition rate @ 8% for hotels, restaurants, etc. having turnover of food and non-alcoholic drinks of more than Rs. 3 crores in the previous year
- Restriction on setoff of taxes paid on purchase of petrol and diesel extended to entry taxes also.
- Setoff on mobile handsets procured locally and sold in the course of interstate trade to be restricted to the extent of liability under the CST Act



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Key changes in tax rates

Item	Old Rate	New Rate
Coconut Oil sold in packaging upto 500 ml	5%	12.5%
Hair Oil	5%	12.5%
Terry Towels	0%	5.50%
Processed Sweet Corn	Disputed	5.50%
LED Tubes	12.50%	5.50%
Confiscated used vehicles (on which sales tax or entry tax has been paid at an earlier stage) sold by banks and financial institutions	12.50%	5.50%

Amnesty scheme proposed

- On the backdrop of forthcoming GST and following the footsteps of some other States, the Maharashtra Government has also announced an amnesty scheme for pending VAT dues. The amnesty is available to a dealer who has filed an appeal and the recovery of disputed dues is stayed by the appellate authority. The amnesty will be available if the dealer withdraws the appeal. The amnesty will be available from 01.04.2016 to 30.09.2016
- The amounts to be paid is as under:

Periods	Disputed Tax	Disputed Interest	Disputed Penalty
Before 01.04.2005	100 % Tax	NIL	NIL
01.04.2005 to 31.03.2012	100% Tax	25% Interest	NIL

Compiled By:
S B Gabhawalla & Co.
Chartered Accountants
802-803, Sunteck Grandeur,
Opp. Andheri Subway, S V Road,
Andheri West, Mumbai 400 058

Phone: 022- 6651 5100/ 5151
Fax: 022- 6651 5150

Mail: sunil@sbgco.in
Web: www.sbgco.co.in



S. B. GABHAWALLA & CO.
CHARTERED ACCOUNTANTS

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