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తెలంగాణ రాజపత్రము

**THE TELANGANA GAZETTE
PART IV-B EXTRAORDINARY
PUBLISHED BY AUTHORITY**

No. 2] HYDERABAD, TUESDAY, JUNE 14, 2016

**TELANGANA ACTS, ORDINANCES AND
REGULATIONS Etc.**

The following is the authoritative text in English Language of the Ordinance promulgated by the Governor on the 14th June, 2016 is being published under article 348 (3) of the Constitution of India for general information:-

TELANGANA ORDINANCE No. 2 OF 2016

Promulgated by the Governor in the Sixty-seventh Year of the Republic of India.

[1]

O. 45-1 [DA]

AN ORDINANCE TO AMEND CERTAIN TAXING STATUTES TO PROVIDE FOR CONSTITUTION OF A STATE LEVEL AUTHORITY FOR CLARIFICATION AND ADVANCE RULINGS AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

Whereas, in order to help every citizen and tax payer, and to address the delay and other lengthy procedures involved in various statutes and to enable the tax payers to get their required licences / permits or any clarification on the provisions of the statutes, Government of India announced the policy of Ease of Doing Business. The Government of Telangana also falling in line with the Ease of Doing Business, announced many reforms and simplified all the procedural aspects in the statutes. The Commercial Taxes Department as a part of Ease of Doing Business simplified the procedure and has taken care to issue the registration certificates in one day under all the Acts administered by the Department;

And whereas, the State Level Authority for Clarification and Advance Rulings constituted under section 67 of the Telangana Value Added Tax Act, 2005 is already functioning under the Act to issue clarifications and advance rulings on issues raised under the Telangana Value Added Tax Act, 2005;

And whereas, in continuation of the process, it has been decided to have a similar provision in certain Telangana Taxing Statutes viz., the Telangana Horse Racing and Betting Tax Regulation, 1358 F. (Regulation No.XLIX of 1358 F.), the Telangana Entertainments Tax Act, 1939 (Act No.X of 1939), the Telangana Tax on Professions, Trades, Callings and Employment Act, 1987 (Act No.22 of 1987), the Telangana Tax on Luxuries Act, 1987 (Act No.24 of 1987), the Telangana Rural Development Act, 1996 (Act No.11 of 1996) and the Telangana Tax on Entry of Motor Vehicles into Local Areas Act, 1996 (Act No.26 of 1996) also, as in the Telangana Value Added Tax Act, 2005, so as to enable the dealer or the person enrolled thereunder to get the certified information of clarifications on the transactions / goods dealt by him, by incorporating a new provision "Clarification and Advance Rulings" on the lines of section 67 of the Telangana Value Added Tax Act, 2005, by suitably amending the said Acts respectively, which will reduce the tax litigations also under the relevant Acts;

And whereas, the Legislature of the State is not now in session and the Governor of Telangana is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, therefore, in exercise of the powers conferred by clause (1) of article 213 of the Constitution of India, the Governor hereby promulgates the following Ordinance:-

Short title, extent and commencement.

1. (1) This Ordinance may be called the Telangana Taxing Statutes (Providing for Constitution of State Level Authority for Clarification and Advance Rulings) (Amendment) Ordinance, 2016.

(2) It extends to the whole of the State of Telangana.

(3) It shall come into force at once.

Definitions.

2. (1) In this Ordinance, unless the context otherwise requires, the Telangana Taxing Statute means,-

1. The Telangana Horse Racing and Betting Tax Regulation, 1358 F. (Regulation No.XLIX of 1358 F.),

2. The Telangana Entertainments Tax Act, 1939 (Act No.X of 1939),

3. The Telangana Tax on Professions, Trades, Callings and Employment Act, 1987 (Act No.22 of 1987),

4 The Telangana Tax on Luxuries Act, 1987 (Act No.24 of 1987),

5. The Telangana Rural Development Act, 1996 (Act No.11 of 1996), and

6. The Telangana Tax on Entry of Motor Vehicles into Local Areas Act, 1996 (Act No.26 of 1996).

(2) The words used but not defined herein, shall have the same meaning as assigned to them, in the respective principal Acts.

3. In the Telangana Horse Racing and Betting Tax Regulation, 1358 F. after section 21, the following sections shall be added, namely,-

**Amend-
ment of
Regula-
tion
No. XLIX
of
1358 F.**

**“Clarification
and Advance
Rulings.**

22. (1) (i) The Commissioner may constitute a State Level Authority for Clarification and Advance Rulings comprising 3 officers not below the rank of Joint Commissioner to clarify, in the manner prescribed any aspect of the implementation of the Act.

(ii) The State Level Authority for Clarification and Advance Rulings constituted under section 67 of the Telangana Value Added Tax Act, 2005 shall also function as State Level Authority for issue of Clarifications and Advance Rulings on issues raised under this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or any Court.

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the

application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding:-

(i) on the applicant who had sought clarification;
(ii) in respect of the transaction in relation to which a clarification was sought; and

(iii) on all the officers other than the Commissioner:

Provided the applicant does not file an appeal before the Telangana Value Added Tax Appellate Tribunal within 30 days of the Ruling in the manner prescribed.

(5) (i) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to the affected parties.

(ii) An order giving affect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also prefer any matter for opinion of the Authority for clarification without prejudice to his authority.

**“Appeal to the
Telangana Value
Added TaxAppe-
llate Tribunal.**

23. Any proprietor, objecting to an order passed by the State Level Authority for clarification and advance rulings may appeal to the Telangana Value Added Tax Appellate Tribunal within 30 days from the date on which the order was communicated to him:

Provided that the Appellate Authority may admit on appeal preferred after the period of sixty days aforesaid if it is satisfied that the proprietor had sufficient cause for not preferring the appeal within that period.”.

4. In the Telangana Entertainments Tax Act, 1939 (hereinafter referred to as the principal Act),

**Amend-
ment of Act
No. 10 of
1939.**

(1) after section 9-B of the principal Act, the following section shall be inserted, namely,-

**“Appeal to the
Telangana Value
Added TaxAppe-
llate Tribunal.**

9-BA. Any proprietor, objecting to an order passed by the State Level Authority for Clarification and Advance Rulings may appeal to the Telangana Value Added Tax Appellate Tribunal within 30 days from the date on which the order was communicated to him:

Provided that the Appellate Authority may admit on appeal preferred after the period of sixty days aforesaid if it is satisfied that the proprietor had sufficient cause for not preferring the appeal within that period.

(2) after section 16 of the principal Act, the following section shall be inserted, namely,-

**“Clarification
and Advance
Rulings.**

16-A. (1) (i) The Commissioner may constitute a State Level Authority for Clarification and Advance Rulings comprising 3 officers not below the rank of Joint Commissioner to clarify, in the manner prescribed any aspect of the implementation of the Act.

(ii) The State Level Authority for Clarification and Advance Rulings constituted under section 67 of the Telangana Value Added Tax Act, 2005 shall also function as State Level Authority for issue of Clarifications and Advance Rulings on issues raised under this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or any Court.

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding:-
(i) on the applicant who had sought clarification;
(ii) in respect of the transaction in relation to which a clarification was sought; and
(iii) on all the officers other than the Commissioner:

Provided the applicant does not file an appeal before the Telangana Value Added Tax Appellate Tribunal within 30 days of the Ruling in the manner prescribed.

(5) (i) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to the affected parties.

(ii) An order giving affect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also prefer any matter for opinion of the Authority for clarification without prejudice to his authority.

5. In the Telangana Tax on Professions, Trades, Callings and Employment Act, 1987, after section 30, the following section shall be inserted, namely,-

Amend-
ment of Act
No. 22 of
1987.

“Clarification
and Advance
Rulings.”

30-A. (1) (i) The Commissioner may constitute a State Level Authority for Clarification and Advance Rulings comprising 3 officers not below the rank of Joint Commissioner to clarify, in the manner prescribed any aspect of the implementation of the Act.

O. 45-2

(ii) The State Level Authority for Clarification and Advance Rulings constituted under section 67 of the Telangana Value Added Tax Act, 2005 shall also function as State Level Authority for issue of Clarifications and Advance Rulings on issues raised under this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or any Court.

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding:-

(i) on the applicant who had sought clarification;

(ii) in respect of the transaction in relation to which a clarification was sought; and

(iii) on all the officers other than the Commissioner:

Provided the applicant does not file an appeal before the Telangana Value Added Tax Appellate Tribunal within 30 days of the Ruling in the manner prescribed.

(5) (i) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to the affected parties.

(ii) An order giving affect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also prefer any matter for opinion of the Authority for clarification without prejudice to his authority.

6. In the Telangana Tax on Luxuries Act, 1987 (hereinafter referred to as the principal Act),-

**Amend-
ment of Act
No. 24 of
1987.**

(1) in section 12-A of the principal Act, for the expression "Andhra Pradesh General Sales Tax Act, 1957", the expression "Telangana Value Added Tax Act, 2005 (Act No.5 of 2005)" shall be substituted.

(2) after section 25 of the principal Act, the following section shall be inserted, namely,-

**“Clarification
and Advance
Rulings.**

25-A. (1) (i) The Commissioner may constitute a State Level Authority for Clarification and Advance Rulings comprising 3 officers not below the rank of Joint Commissioner to clarify, in the manner prescribed any aspect of the implementation of the Act.

(ii) The State Level Authority for Clarification and Advance Rulings constituted under section 67 of the Telangana Value Added Tax Act, 2005 shall also function as State Level Authority for issue of Clarifications and Advance Rulings on issues raised under this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or any Court.

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding:-

(i) on the applicant who had sought clarification;

(ii) in respect of the transaction in relation to which a clarification was sought; and

(iii) on all the officers other than the Commissioner:

Provided the applicant does not file an appeal before the Telangna Value Added Tax Appellate Tribunal within 30 days of the Ruling in the manner prescribed.

(5) (i) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to the affected parties.

(ii) An order giving affect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also prefer any matter for opinion of the Authority for clarification without prejudice to his authority.”

7. In the Telangana Rural Development Act, 1996, after section 10, the following sections shall be added, namely,-

**Amend-
ment of Act
No. 11 of
1996.**

**“Clarification
and Advance
Rulings.**

10-A. (1) (i) The Commissioner may constitute a State Level Authority for Clarification and Advance Rulings comprising 3 officers not below the rank of Joint Commissioner to clarify, in the manner prescribed any aspect of the implementation of the Act.

(ii) The State Level Authority for Clarification and Advance Rulings constituted under section 67 of the Telangana Value Added Tax Act, 2005 shall also function as State Level Authority for issue of Clarifications and Advance Rulings on issues raised under this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or any Court.

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding:-
(i) on the applicant who had sought clarification;
(ii) in respect of the transaction in relation to which a clarification was sought; and
(iii) on all the officers other than the Commissioner:

Provided the applicant does not file an appeal before the Telangana Value Added Tax Appellate Tribunal within 30 days of the Ruling in the manner prescribed.

(5) (i) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to the affected parties.

(ii) An order giving affect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also prefer any matter for opinion of the Authority for clarification without prejudice to his authority.”.

**“Appeal to the
Telangana Value
Added Tax Appe-
llate Tribunal.**

10-B. Any proprietor, objecting to an order passed by the State Level Authority for Clarification and Advance Rulings may appeal to the Telangana Value Added Tax Appellate Tribunal within 30 days from the date on which the order was communicated to him:

Provided that the Appellate Authority may admit on appeal preferred after the period of sixty days aforesaid if it is satisfied that the proprietor had sufficient cause for not preferring the appeal within that period.”.

8. In the Telangana Tax on Entry of Motor Vehicles into Local Areas Act, 1996 (hereinafter referred to as the principal Act),-

**Amend-
ment of
Act No.
26 of
1996.**

(1) after section 13, the following section shall be inserted, namely,-

**“Clarification
and Advance
Rulings.**

13-A. (1) (i) The Commissioner may constitute a State Level Authority for Clarification and Advance Rulings comprising 3 officers not below the rank of Joint Commissioner to clarify, in the manner prescribed any aspect of the implementation of the Act.

(ii) The State Level Authority for Clarification and Advance Rulings constituted under section 67 of the Telangana Value Added Tax Act, 2005 shall also function as State Level Authority for issue of Clarifications and Advance Rulings on issues raised under this Act.

(2) No application shall be entertained where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or any Court.

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax:

Provided that no application shall be rejected under this sub-section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(3) No officer or any other authority of the Department shall proceed to decide any issue in respect of which an application has been made by an applicant under this section and is pending.

(4) The order of the authority shall be binding:-

(i) on the applicant who had sought clarification;

(ii) in respect of the transaction in relation to which a clarification was sought; and

(iii) on all the officers other than the Commissioner:

Provided the applicant does not file an appeal before the Telangana Value Added Tax Appellate Tribunal within 30 days of the Ruling in the manner prescribed.

(5) (i) The authority for clarifications shall have power to review, amend or revoke its rulings at any time for good and sufficient cause by giving an opportunity to the affected parties.

(ii) An order giving affect to such review or amendment or revocation shall not be subject to the period of limitation.

(6) The Commissioner may also prefer any matter for opinion of the Authority for clarification without prejudice to his authority.

(2) in section 15 of the principal Act, in sub-section (1), after clause (b), the following clause shall be added, namely,-

“(c) by any authority following the ruling or order passed under section 13-A.”.

E.S.L. NARASIMHAN,

Governor of Telangana.

A. SANTHOSH REDDY,

Secretary to Government,
Legal Affairs, Legislative Affairs & Justice,
Law Department.