

# **CITIZEN CHARTER**

**DEPARTMENT OF EXCISE AND TAXATION  
CHANDIGARH**

The Excise & Taxation Department is revenue department. It administers the various Acts such as the Sales Tax Act, Central Sales Tax Act, Motor Spirit Taxation Act, Passenger & Goods Tax Act, Entertainment & Show Tax Act and Excise Act. Under all these Acts levy of tax is collected by the Assessing Authorities in their respective field consisting of Wards which are seven in number. Under the above Acts these Assessing Authorities who are AETC/ETOs, ensures the realization of the taxes with the supporting staff deployed in their Wards. The department is headed by the Excise and Taxation Commissioner, who is superintending this office through the Deputy Excise and Taxation Commissioner under various enactments referred to above.

The department contributes a major chunk of revenue to the State exchequer of Union Territory, Chandigarh. Administration of every enactment is being ensured in accordance with the statutory provisions of each Act and Rules framed thereunder. Although these enactments are based on a very old system of working being in operation for more than fifty year's earlier stage, yet to maintain a pace with the changed system of working in every field, the department has simplified various procedures to make it a public friendly and self compliance.

The following simplification of the procedures involving public interests have been made by the department:-

Computerisation of all the records, which enables the dealer to have an access to their respective information with regard to Returns filed, payments of tax made and verification of encashment of cheques/drafts etc. This ensures the expeditious disposal of their Assessment cases.

One of the senior officer has been entrusted the work of Central Public Information Officer, to facilitate the dealers/the persons having any interest in the working of the department, for obtaining any information.

Some Sampark Centres formulated by the Chandigarh Administration in various parts of the city have been authorized to conduct the business relating to this office such as receipt of taxes and returns. This system facilitates the dealers particularly falling in that area to save their time and energy. The working time of such Sampark Centres is from 8 A.M. to 8 P.M. which is more convenient as compared with office working of the department.

In order to pace with the changed system of implementation and realization of the tax on the sales as well as on the purchases under the VAT Act in Union Territory, Chandigarh, the functioning of the department can be classified into two categories,

(1) Regulatory System (2) Service Providing System. The scope of the both fields is detailed below:

**(i) Regulatory**

**Regulatory Functions**

Ensuring the proper realization of the tax on the sales/ purchase of taxable items under the VAT Law, by way of various provisions of the VAT Act, which consists compulsory registration of a person liable to pay tax, making inspections/ raids and roadside checking to detect the tax evasion in the hands of the unscrupulous dealers. The department also conduct the Audit on scrutiny as per the policy of the VAT Act and assess the return filed by the dealer. Compliance of the VAT provisions with regard to maintenance of books of accounts of the dealer is also enforced by this department failing to which penal action is taken as per the provisions of the VAT Act. The department also ensures the implementation and realization of the taxes levied under the Punjab Entertainment Tax Act and Punjab Passenger and Goods Taxation Act. In order to ensure the recovery of the tax under these Acts, the department enforces various provisions under these enactments by paying surprise inspections also.

**(ii) Service Providing System**

**Service Providing Functions**

Although the main functioning of the department is to ensure the compliance of various provisions of the VAT Law by the dealers, yet out of those various functions enunciated under the VAT Act/ Rules, the following works can be treated as Service Providing ones:

**Issuance of various declaration forms**

The department issues to the assesses on their demand preferred by way of application, various declaration forms such as Form 'C', 'F', 'ST XXII', 'H', 'I', 'E1', 'EII', etc. This process is promptly attended to. The application is examined by the Taxation Inspector and the issuance of above declaration forms are ordered by the Excise and Taxation Officer of the Ward concerned and then on the same day the

official put on this duty issues the same to the applicant. This system is attended very promptly and it takes hardly one hour for the assesses to collect these forms.

### **Grant of Registration Certificate**

On the receipt of the application on the prescribed Performa under the VAT Law alongwith the required fee, the application is received in the office by the Dairy Clerk and marked to the Taxation Inspector of the area concerned and the later verify the contents of the application and also verify the Sureties if any, and pay the visit to the spot i.e. business premises in order to ascertain the genuineness and bonafide of the dealer before the report is submitted to the E.T.O. The Excise and Taxation Officer concerned passes the order for the grant of Registration Certificate and the same is prepared and issued by the official in the Establishment Branch. The time earmarked for whole system is one month, where the applications are received with all documents required under the Law.

### **Amendment**

The amendment applications of various kinds as per the request of the dealer is received in the office and the acknowledgement is issued. The Taxation Inspector of the area concerned examine the same and verify the contents of the application and submit his report to the Excise and Taxation Officer concerned for ordering the amendment. Where it is necessary to visit the premises of the applicant assesses under the VAT Act/Rules, he also pays visit to the premises to verify the genuineness of the applicant's request. Fifteen days are earmarked to the Taxation Inspector to verify the contents of the application and submit its report to the Excise and Taxation Officer. On the receipt of the application by the E.T.O., he scrutinizes the application as per provisions of the VAT Law vis-à-vis the report of the Taxation Inspector and the amendment is allowed within 15 days by the E.T.O. The whole process is completed within one month.

### **General Queries**

In case of any doubt with regard to the sales/ purchase transactions for the tax liability, the dealer can file application under Section 85 of the VAT Act addressed to the Excise and Taxation Commissioner, which is decided by giving an opportunity

to the applicant of being heard by the Excise and Taxation Commissioner. The clarification is given by way of passing an order as provided under the VAT Act by the later and is communicated to the applicant promptly. The time to decide such cases may vary case to case as it depends upon the nature of the query asked for. However, every effort is made to decide it on priority basis. On an average it takes two months time.

### **Providing various information on website**

The department has uploaded VAT rates, VAT Forms and VAT Rules on the website of the Chandigarh Administration. Any change in the VAT rates is also updated on the website.

## **Regulatory Functions**

### **VAT ACT**

#### **Proper realization of tax**

Ensuring the proper realization of the tax on the sales/ purchase of taxable items under the VAT Law, by way of various provisions of the VAT Act, which consists compulsory registration of a person liable to pay tax.

#### **Inspections**

Making inspections/ raids and roadside checking to detect the tax evasion in the hands of the unscrupulous dealers.

#### **Audit of Returns**

The department also conduct the Audit on scrutiny as per the policy of the VAT Act and assess the return filed by the dealer.

#### **Compliance of VAT provisions**

Compliance of the VAT provisions with regard to maintenance of books of accounts of the dealer is also enforced by this department failing to which penal action is taken as per the provisions of the VAT Act.

## **Excise Act**

### **Bar Licenses**

A fifteen days notice to general public is required to be given for the grant of (L-3/L-4/L-5/L-12C) these Licenses. These Licenses are granted in less than one month time as the file has to move upto the Excise and Taxation Commissioner, U.T. Chandigarh for consent.

### **Breach Cases**

The disposal of breach cases of licenses within 15 days after given at least 7 days notice to the erring licensee.

## **Punjab Entertainment Tax Act and Punjab Passenger and Goods Tax Act**

The department also ensures the implementation and realization of the taxes levied under the Punjab Entertainment Tax Act and Punjab Passenger and Goods Taxation Act. In order to ensure the recovery of the tax under these Acts, the department enforces various provisions under these enactments by paying surprise inspections also.

## **Service Providing Functions**

### **VAT ACT**

#### **Grant of Registration Certificate: Total Time 30 days**

- i) Receipt of application One day.
- ii) Verification and report by the Taxation Inspector 15 days.
- iii) Verification and Issuance of Certificate by the E.T.O./D.O. 10 days.
- iv) Preparation and receipt of R.C. from the S.R.C. 5 days.

#### **Amendments: Total Time one month.**

- i) Receipt of application One day.
- ii) Verification and report by the Taxation Inspector 15 days.
- iii) Verification and Issuance of Certificate by the E.T.O./D.O. 10 days.
- iv) Preparation and receipt of R.C. from the S.R.C. 5 days.

#### **Issuance of various declaration Forms: Total Time about one to two hours (depending upon the rush of work).**

i)	Verification and report by the Taxation Inspector	10 to 15 minutes.
ii)	Issue of declaration Forms by the E.T.O./D.O.	15 minutes.
iii)	Receipt of declaration Forms from the S.R.C.	One hour.

#### **General Queries: Regarding queries under Section 85 of VAT Act, time taken about one to two months.**

i)	Issue of notice and preparation of case by the office	20 days.
ii)	Presentation of case before the Excise and Taxation Commissioner and passing of orders after arguments	20 to 30 days.

### **Excise Act**

#### **Liquor Possession Permits (L-42 / L-50)**

Issued within one day of receipt of application.

#### **Liquor Permits, Pass Permits, L-32 and L-34)**

Within one day of the receipt of the applications by the Licensee.

**Renewal of Licensees :**

Takes 4 to 5 days from the date of announcement of Excise Policy for the year for which the renewal is sought.

**Export Permission:**

Within one day to the Export Liquors out of U.T. Chandigarh by the Chandigarh Bottling Plants on receipt of their application.

**Passenger and Goods Tax Act:**

Clearance Certificates are issued on the same day on receipt of application from the Transport Company or the owner.

**Liquor possession limits**

As per the provisions of the Excise Policy of the year 2008-09, Private Possession limit of liquor to be kept by the citizens in U.T. Chandigarh has been fixed. A citizen of U.T. Chandigarh can keep the following quantity of liquor without any permission:-

Country Liquor	2 Quarts (bottles) of 750 ml
IMFL/IFL	18 Quarts (bottles) of 750 ml
Beer	36 Bottles of 650 ml
Wine	18 Bottles of 750 ml

However, in case any individual wants to keep more liquor than the above-prescribed limit, he can have his possession limit enhanced by obtaining a permit in Form L-50 from the Excise & Taxation Department. The enhanced possession limit on the basis of the L-50 permit has been fixed as under:-

IMFL/IFL	36 Quarts (bottles) of 750 ml
Beer	72 Bottles of 650 ml
Wine	36 Bottles of 750 ml

The possession of liquor in excess of the above mentioned limits by any individual in U.T., Chandigarh can lead to legal action under the provisions of the Punjab Excise Act, (as applicable to U.T.).

## **Procedure to seek Declaration Forms**

- ✓ Every registered dealer under the CST Act with the Excise and Taxation Department, Union Territory, Chandigarh can seek declaration form i.e. C form, F form, H form, E-I form, E-II form, etc. These statutory forms are meant for concessional rate of tax under the CST Act. These forms may be collected from the department situated at Addl. Town Hall Building, Sector 17, Chandigarh on any working day from 9.30am to 1.00 pm by applying through the Prop/Partner/Director or an authorized person along with a fee of Rs. 1/- per form. The fee can be deposited in S.B.I Treasury Branch, Sector 17, Chandigarh or Industrial Area I or Sector 22, Chandigarh or in case with the department. The application shall be processed through the Taxation Inspector and E.T.O concerned of the ward. The Excise and Taxation Officer/T.I are competent to reject the application on valid grounds.
  - ✓ For getting declaration Forms next time, the dealer has to submit the detailed list of consumed declaration forms issued previously. The list is required in hard copy and soft copy.
  - ✓ The proprietor/partner/director or the person authorized under the PV AT Act shall be eligible for collection the declaration forms.
  - ✓ The form shall be issued on every working day from 9.30am to 1.00 pm.
  - ✓ The dealers shall maintain a declaration form register of the consumed declaration forms complete in all respect.
  - ✓ The dealer shall apply for issued of declaration forms on the letter pad of the firm mentioning TIN & address of the firm.
  - ✓ The dealer can get declaration forms next time only after providing a detailed list in hard copy and soft copy. The application along with the list of used forms, complete in all respect, shall be put up to the concerned RK for its entry in the office software. The standardized format of declaration form Register will be available on official website of Chandigarh Administration.
  - ✓ The dealer shall bring with him the register of declaration forms, Rubber Stamp of the Firm and Rubber Stamp of TIN. In the absence of stamps or register no declaration forms shall be issued.
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## **Procedure to file VAT Returns**

- ✓ All the VAT/CST returns, along with the tax due, if any, will be presented induplicate to the Sampark Centres.
- ✓ To avoid inconvenience, all the VAT returns along with the Annexure should be page marked.
- ✓ All columns of the return in form VAT-15, VAT-17, Form-I and Lists in Form VAT-18, VAT-19, VAT-23 & VAT-24 should be filled correctly as prescribed under VAT-Rules. **No incomplete return shall be accepted at any Sampark Centre.**
- ✓ On receipt of the VAT/CST return, a receipt will be generated by the computer. A copy of the receipt will be pasted on the duplicate copy of the VAT/CST return and returned to the dealer, as a token of receipt of the VAT/CST return.
- ✓ Where the payment of tax is to be made through a cheque, the last date is **20th October** and where the payment of tax is to be made in cash, the last date is **30th October**.
- ✓ Presently, all e-Sampark Centres would be receiving VAT/CST returns which are accompanied with the tax in the form of cheque/draft.
- ✓ In case of payment of tax in the form of cash, the VAT/CST returns along with the cash will be accepted **ONLY at e-Sampark Centre, Central Treasury, Sector 17, Chandigarh.**
- ✓ In case the cash is deposited at SBI Treasury Branch, Sector 17, Chandigarh the VAT/CST return will be accepted at all other e-Sampark Centres along with the Treasury Receipt of the tax paid.
- ✓ Annual Return for the year 2007-08 alongwith **Statutory Declaration forms under CST Act** shall be accepted in the **office of the Excise and Taxation Department, Additional Town Hall Building, Sector 17, Chandigarh.** Last date for **filling annual return of VAT dealers is 20th November, 2008.**
- ✓ The quarterly return / monthly tax submitted after due dates shall be accepted at the Sampark Centre only after the clearance certificate from the Excise and Taxation Department.
- ✓ **Tax Deducted at source** by the contractees is to be deposited in the Govt. Treasury in Form VAT-2 **within Fifteen Days** from the close of each month. **Statement (Return) in VAT-27** alongwith proof of deposit of TDS shall be furnished **within Fifteen days from the date of deposit in the office of**

**Excise and Taxation Department**, Additional Town Hall Building, Sector 17,  
Chandigarh.

### **ALLIED TAXES**

1. Punjab Entertainment Duty Act , 1956
2. Entertainment Tax 30% w.e.f. 26/2/2004
3. Show Tax @ Rs. 8/- per hundred
4. Punjab Passenger And Goods Taxation Act , 1952
5. Passenger Tax 35 % of the value of the fare or freight
6. Goods Tax Rs. 100/- per Quarter or Rs. 400/- per Year