

**G SEKAR ASSOCIATES**  
**Chartered Accountants**

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**Changes in TN VAT by Tamil Nadu Budget 2015**

The following changes are effective from 1<sup>st</sup> April 2015

**TAX CONCESSIONS**

1. **Tax on electricity abolished:** Electricity Tax on generating plants using Biomass (excluding bagasse) is exempt to give a boost to green energy producers.
2. **Reversal of input tax credit abolished on inter-state sale:** Input Tax Credit reversal imposed at the rate of 3% on the inter-state sale of goods, will be withdrawn henceforth to make the manufacturing industries in Tamil Nadu more competitive with their counterparts in the neighbouring States.
3. **Dealers can claim ITC on Inter-State sale without ‘C’ form** [Sec.19(5)(c) of TNVAT Act, 2006]: Dealers can claim Input Tax Credit even against CST on the inter-State sale of goods without ‘C’ form. This measure will eliminate additional burden on the dealers effecting inter-State sale of goods without ‘C’ form.

**CHANGES IN TN VAT RATE**

| Product                                    | Earlier Rate | New Rate |
|--------------------------------------------|--------------|----------|
| Mosquito Nets of all kinds                 | 5%           | Exempt   |
| Cardamom                                   | 5%           | 2%       |
| LED lamps of all kinds                     | 14.5%        | 5%       |
| Air Compressors                            | 14.5%        | 5%       |
| Pumpsets upto 10HP and their parts thereof | 14.5%        | 5%       |
| Cellular telephones (Mobile Phones)        | 14.5%        | 5%       |

**PRODUCTS EXEMPTED**

- Fishing accessories like fish net, fishnet fabrics, fishing hooks, fish seeds, prawn / shrimp seeds, fishing ropes, fishing floats, fishnet twine, fishing lamps & fishing swivels.
- Works contract relating to sizing of yarn.