

No. C1-10760/2007/CT

Office of the Commissioner,
Commercial Taxes,
Thiruvananthapuram,
Dated:12-4-2007.

CIRCULAR NO.18/07

Sub:- Department of Commercial Taxes – CST Act,1956- Amendment in section 8
- impact - instructions -issued-reg

The Government of India, Ministry of Finance, Department of Revenue, issued the notification on 29th March,2007 to bring into force the provisions of the Taxation Laws (Amendment) Act, 2007, w.e.f. 1st April, 2007. Through this Act, the following amendments, inter-alia, have been carried out to the Central Sales Tax Act, 1956.

- a) The rate of CST on inter-State sale to registered dealers (against Form-C) shall stand reduced from 4% to 3% or the rate of VAT/ State Sales Tax applicable in the State of the selling dealer, whichever is lower.
- b) The rate of CST on inter-State sale other than sale to registered dealers shall be the rate of VAT/ State Sales Tax applicable in the State of the selling dealer.
- c) The rate of CST on inter-State sale to Government Departments shall also be the rate of VAT/ State Sales Tax applicable in the State of the selling dealer, indicated at (b) above. The facility of inter-State purchases by Government Departments against Form-D stands withdrawn.

All the above-mentioned amendments as also other provisions of the Act shall be effective from 1st April, 2007.

All officers shall take note and comply the above statutory position without fail.

COMMISSIONER

To

All Concerned.