

Issue No : I/5552/2017

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ODISHA, CUTTACK

No. POL-15/1/2017-Policy 2661 /CTDt 18/02/2017

To

All the DCCTs / ACCTs in charge of Circle Offices

Sub: Deduction of tax at source on works contract and deposit the same within 7 days in Govt. Treasury in pursuance with Section 54 of the OVAT Act – reg.

Madam/Sir,

In inviting a reference to the subject cited above, I am directed to enclose herewith a copy of the Finance Department Circular No. 3133/F. dt. 25.01.2017 on above subject and request you to circulate the circular among the local tax deductive authorities under your jurisdiction.

Yours faithfully

Spl. Commissioner of Commercial Taxes
(Policy)Memo No 2662 /C.TDated 18/02/2017

Copy to all JCCTs of territorial Ranges for information and necessary action.

Spl. Commissioner of Commercial Taxes
(Policy)Memo No 2663 /C.TDated 18/02/2017

Copy, along with a copy of the Finance Department Circular No. 3133/F. dt. 25.01.2017 forwarded to the System Analyst, Office of the CCT (O) with a request to upload the circular in CTD Website.

Spl. Commissioner of Commercial Taxes
(Policy)

File No. POL-15/1/2017-3 Policy-CCT

Receipt No. 269(1)/2017/CRU Section



GOVERNMENT OF ODISHA

FINANCE DEPARTMENT

CTI-TAX 0011 2016

Date: 25.1.2017

To

All Departments of Government

All Heads of the Department

Sub: Timely deposit of tax deducted at source from the payment made to the works contractors.

Section 54 of the Odisha Value Added Tax Act, 2004 and rules made thereunder provide for deduction of tax at source from payment to works contractor by the deducting authorities. The amount of tax so deducted from the bill/invoices of works contractors shall be deposited into the Government Treasury within one week from the date of deduction and the proof of payment is produced before the Deputy/Assistant Commissioner or the Sales Tax Officer of the area. As per sub-section (6) of section 54 of the Odisha Value Added Tax Act, 2004, if any person contravenes the provisions of sub-sections (1), (2) and (3) of section 54, the assessing authority shall after giving him an opportunity of being heard, impose on such person a penalty equal to twice the amount required to be deducted and deposited by him into Government Treasury.

2. The Public Works Divisions of the Government Departments namely Works, Rural Development, Water Resources, Housing & Urban Development and Energy are using the Works & Accounting Management Information System (WAMIS) and Integrated Financial Management System (IFMS), Odisha for processing of Works Bill. In such Departments, arrangement has been made between VATIS (software of Commercial Tax Organization), WAMIS and IFMS to ensure book transfer to tax deducted at source since November, 2015 as per Finance Department O.M. No.23988/F.

3. In case of other works, the executing agencies belonging Government, non-Government, State Autonomous Bodies, Public Sector Undertakings and other agencies such as DRDAs, Municipalities, Blocks, other agencies including Central Government and private organizations should deduct the tax as per the aforesaid provisions of the Odisha VAT Act, 2004 and remit the same to the State Government through the Treasury within one week from the date of deduction of tax.

4. It has come to the notice of the Government that in many cases the tax deducting authorities ignore the provisions of law and fail to deposit the TDS into Government Treasury within the stipulated time. In certain cases assessing authorities have imposed penalties for default as per the statute and the deducting authorities concerned are facing problem.

5. It is therefore, requested to bring it to the notice of all such tax deducting authorities to deposit the amount of tax so deducted from the bill/invoices of works contractors into Government Treasury within one week from the date of deduction in order to avoid penal action, failing which the penalty will be recovered from the concerned deducting authorities as per the statute.

6. All subordinate offices under the control of the Administrative Department/ Heads of the Department may be instructed accordingly.


Principal Secretary to Government

A
MPD
27/1/2017

Receipt No : 34269(1)/2017/CRU Section

Memo No. 2134 Dt. 28-1-2017

Copy forwarded to the Commissioner of Commercial Taxes, Odisha Cuttack for information and necessary action.

Additional Secretary to Government

Memo No. 2135 Dt. 28-1-2017

Copy forwarded to all PSUs of State Government/ Central Government and all Central Government Organizations in the State for information and necessary action

Additional Secretary to Government

Memo No. 2136 Dt. 28-1-2017

Copy forwarded to the Deputy Secretary Resources Branch, Treasury Branch, Finance Department for information and necessary action.

Additional Secretary to Government

DCT (Policy)