

The Principal Secretary
Commercial Tax, U.P
Secretariat Annexe
Lucknow

Subject: Entry Tax Notification No. KA.NI-2-104 dated 15/01/09 & KA.NI-2-103 dated 15/01/09

Dear Sir,

The Commercial Tax Deptt U.P has issued the aforesaid two Notification which instead of reducing the Tax burden have increased the burden of Entry Tax, Making our Industry less competitive. The Changes so made are as under:-

- (i) Paper for writing, printing & Packing excluding News Print have been reduced from 5% to 2% on the value of Goods. But vide Notification No. 2-103/15.01.09 the original Notification 2-766/ 04.03.08 has been rescinded meaning thereby that the set-off will now not be available, making the original compensatory nature of Tax as Ruled by Hon'ble Supreme Court infructuous. Thus instead of 0% Tax on Entry of Goods 2% will have to be paid which will make the product/good costlier by 2% & make State Industry uncompetitive.

Entry Tax on Iron-Steel as defined u/s (a) 14 & 15 of C.S.T Act cannot exceed 4% but by the Notification under reference the Tax has exceeded 4%.

- (ii) Under C.S.T Act alongwith wire –rod has also been mentioned but omitted in the aforesaid Entry. Thus the benefit of Exemption will not be available to wire-rod. It is therefore requested that Entry on the aforesaid goods be abolished altogether or at least rationalised. As under :-
 - The Entry Tax on paper for writing, printing packing reduced to 2% be allowed a set-off to the same extent.
 - Wire rod may also be included alongwith wire as to be eligible to exemption from Entry Tax.
 - Entry Tax on declared goods i.e. all the good mentioned in CST Act 1956 Section 14 read with Section 15 may be exempted from payment of Entry Tax.

Thanking you,

Yours truly,

D.S. Verma
Executive Director