

Retailers of Haryana Lump sum scheme

I Applicability

A retailer is a dealer registered who sells goods exclusively within the State after purchasing them from VAT dealers or other retailers in the State or after purchasing them in the course of inter-State trade or commerce from outside the State.

A retailer, in whose case aggregate of purchases of taxable goods made, and value of goods received for sale, by him during the last year does not exceed Rs. 40,00,000, may, at any time, opt for payment of lump sum tax scheme.

II Rates

Lump sum tax applicable shall be:

- Lump sum tax for a quarter shall be computed at the rate of 1% of the aggregate of purchases of taxable goods made from registered dealers in the State during the quarter. Subject to a minimum of Rs.900/- per month (or part thereof); plus
- Lump sum computed on the value of taxable goods purchased in the course of inter - State trade or commerce from outside the State during the quarter at the same rates as the rates of tax applicable if such goods were to be sold in the State.

III Conditions

- (i) Application in form A to be made by retailer who is opting for this scheme of lump sum tax. A retailer who makes an application for registration may also exercise such option by making an application in form B.
- (ii) Retailer who deals in aerated water/drinks or medicines shall not be eligible to opt for payment of lump sum.
- (iii) The application made shall be, subject to the correctness of the information furnished therein. Application once approved would be allowed from the date of the application.
- (iv) The retailer whose application has been allowed shall furnish returns in Form VAT-R7 and shall pay lump sum at quarterly intervals within one month of the close of the quarter.
- (v) However lump sum retailer shall, within 1 month of his application having been allowed, pay a lump sum on the value goods, not purchased in the State on payment of tax or received or brought from outside the State, held in stock by him on the date of application, calculated at the rate of tax applicable on sale of such goods in the State: Provided further that purchase value of goods for the purpose of computing lump sum shall be the invoiced price including all taxes and charges shown in the invoice.
- (vi) The lump sum retailer shall be authorised to make purchase of goods on declarations in Central form C from outside the State but he shall not be authorised to make use of declaration in Form F. He shall be required to make use of declarations in Form VAT-D3 for carrying goods.

- (vii) Lump sum retailer shall keep regular account of purchases made by him, separately in respect of exempted and taxable goods.
- (vii) Lump sum retailer shall not be required to keep account of sales but if he makes a sale of goods price whereof exceeds Rs. 10,000 or in case the purchaser requests for the goods to be invoiced, he shall issue a retail sale invoice to the purchaser and shall keep record of all such invoices.
- (viii) He shall declare the use of both declarations in Central form C and Form VAT-D3 in his returns.
- (ix) Lump sum retailer whose aggregate value of taxable goods purchased in a year exceeds Rs 40 lakhs shall continue to pay lump sum during that year and composition of tax in his case shall cease to have effect only from 1st April next.
- (x) Lump sum retailer shall be entitled to claim the credit of input tax on the stock of goods in trade held by him at the close of 31st March subject to furnishing information relating to such goods held in stock with his return for the quarter ending 31st March.

IV General principles of this scheme

- (a) Lump sum tax payable shall be deemed to be tax for the purpose of application of provisions relating to assessment, use of declarations and maintenance of record relating thereto, levy of interest, imposition of penalties for offences committed under the Act, and recovery.
- (b) Once an option to pay lump sum has been exercised it shall not be withdrawn until :-
 - the rate of lump sum is revised; or
 - the rate of tax on goods which the lump sum dealer deals in, are revised.and the lump sum dealer makes an application within 15 days of the date of the publication of the notification that he does not wish to pay lump sum at the revised rate.
- (c) A lump sum dealer shall not issue a tax invoice.
- (d) The input tax in respect of goods purchased by any dealer from a lump sum dealer shall be nil.
- (e) Notwithstanding anything contained in this Chapter, the State Government may at any time withdraw the facility of making payment of lump sum in lieu of tax from anyone or more or all classes of dealers.
- (f) No Surcharge under section 7A shall be applicable in this case.