

THE KOLKATA MUNICIPAL CORPORATION
CENTRAL MUNICIPAL OFFICE BUILDINGS
5, S.N. BANERJEE ROAD, KOLKATA-700 013.

Municipal Commissioner's Office.

Dated: 30/06/2015

Municipal Commissioner's Circular No. 32 of 2015 – 16.

It is hereby circulated for information of all concerned that under West Bengal VAT Act, 2003 as communicated by the Principal Secretary, Finance Department, Government of West Bengal vide Memo No. 3910-F(Y) dated 18/05/2015, Kolkata Municipal Corporation is required to recover STDS (sales tax deducted at source) and TCS (collection of tax at source) from the bills at the time of making payment to any dealer (contractor or supplier) at the following rates and deposit the same to the State Government.

1) The rate of deduction of STDS and TCS are as follows:-

- a) 3 per cent where the dealer is registered under the West Bengal VAT Act, 2003 and produces e-certificate of filing return obtained from the Commercial Tax website;
- b) 5 per cent where the dealer is registered under the West Bengal VAT Act, 2003, but does not produce e-certificate of filing return; and,
- c) 5 per cent where the dealer is not registered under the West Bengal VAT Act, 2003.

2) STDS is applicable in respect of any works contract, executed within West Bengal, which involves supply of materials and labour. However, it will not be applicable in the following cases.

- a) In case of advance payment prior to commencement of any work; however, if any advance payment is made after commencement of work, with or without any bills from the contractor, STDS will have to be recovered at the appropriate rate.

b) In case of payment to a contractor for executed work not exceeding Rs.10,000/- during a financial year, either against a single invoice/bill or against multiple invoices/bills.

c) In case of payment on purely labour contract which does not involve supply of any material.

3. TCS is applicable in case of purchase of any goods taxable under West Bengal VAT Act, 2003 from any supplier located within the State of West Bengal.

In case of payment for purchase of any taxable goods i.e. all goods except Schedule-A items (list available in the website <http://www.wbcomtax.gov.in> or <http://wbcomtax.nic.in>) Kolkata Municipal Corporation will collect the tax by way of deduction from the claim bill of the supplier and deposit it to the State Government Account.

Concerned IFUs will ensure deduction of tax at appropriate rate from the bill of contractor/supplier. In both cases deduction are to be made under BI Code 9310/957.

For convenience a list of exempted goods (Schedule-A) is appended herewith. Barring these in case of supply of all other goods covered by VAT Act 2003 tax is to be deducted/collected at appropriate rate.

It may be noted that the list of exempted goods is subject to periodic changes. So all concerned may consult the referred websites periodically for necessary updates. This circular will take immediate effect superseding previous circulars on this issue.


MUNICIPAL COMMISSIONER

Municipal Commissioner

The Kolkata Municipal Corp

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