



VALUE ADDED TAX

2005

REGISTRATION PROCEDURES

Training Manual - I



**PROJECT MANAGEMENT TEAM
COMMERCIAL TAXES DEPARTMENT**

FOREWORD

VAT is on the threshold of being introduced by all States, which brings into focus transition issues. The need and urgency for the identification of potential VAT dealers and the allotment of Taxpayers Identification Numbers (TINs) cannot be over emphasized.

Within the concept of VAT, registration of dealers is a critical component if the tax administration is to make it as simple and smooth as possible. It is essential that the tax administration has a standardized registration process including new concepts such as a post registration advisory visit. This visit has two objectives, firstly to ensure the tax administration has an accurate registration record and secondly to help dealers understand their obligations under the VAT law.

The provision of relief for Sales Tax paid on goods on hand at the commencement of VAT is provided to ensure that there is no double taxation since such goods will be liable to VAT on their sale after the commencement of the VAT.

Commercial Taxes Department (CTD) of Andhra Pradesh will be producing a series of training manuals with accompanying training modules. These manuals and modules will form the basis for training all officers of CTD in the basic procedures of VAT administration. This first training manual entitled **VAT Registration Procedures** contains the legal provisions, procedures and instructions, Forms and Leaflets relating to VAT registration and transitional relief.

The manual shall be construed as standing instructions, which shall be the basis on which the VAT is to be administered.

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1. PRINCIPLES OF VAT REGISTRATION

- a) Registration is essential for the control of VAT dealers and therefore the effective collection of revenue. Voluntary registration is essential in a VAT system to provide equity of treatment for dealers who would otherwise be disadvantaged in their business activities.
- b) Registration provides the basis for monitoring:
 - Return filing
 - Tax payment
 - Audit selection
 - Audit controls – checking outputs to inputs
 - Payment of assessments
 - Control of non-registered persons charging VAT.
- c) Only dealers making taxable sales by way of business can register for VAT, with the exception of a start-up business, , and businesses liable to compulsory registration.
- d) Compulsory registration is required for certain categories of dealers, regardless of taxable turnover, as defined in the VAT Act.
- e) Voluntary VAT registration is available for any dealer making taxable sales below the registration threshold level, subject to conditions set out in, Section 17(6)(a) of the Act.
- f) When registration is initiated by the department, in the absence of an application for registration by the dealer, the registration is classified as *suo moto* registration.

2. LAW ON VAT REGISTRATION

Section 17

- 1) Every dealer other than a casual trader shall be liable to be registered in accordance with the provisions of this Act
 - 2) Every dealer commencing business whose estimated taxable turnover for 12 consecutive months is more than Rs. 40 lakhs shall be liable to be registered as a VAT dealer before the commencement of business
 - 3) Every dealer whose taxable turnover in the preceding three months exceeds Rs. 10 lakhs or in the preceding 12 months exceeds Rs. 40 lakhs shall be liable to be registered as a VAT dealer
 - 4) Every dealer whose taxable turnover in the period from 1-1-2004 to 31-12-2004, is more than Rs. 40 lakhs shall be liable to be registered as a VAT dealer
 - 5) Notwithstanding anything contained in subsections (2) (3) and (4), of this Act, the following classes of dealers shall be liable to be registered as VAT dealers irrespective of their taxable turnover, namely –
 - a) Every dealer importing goods in the course of business from outside the territory of India;
 - b) Every dealer registered or liable to be registered under the Central Sales Tax Act 1956, or any dealer making purchases or sales in the course of inter-state trade or commerce or dispatches any goods to a place outside the State otherwise than by way of sale;
 - c) Every dealer residing outside the State but carrying on business within the State and not having any permanent place of business;
 - d) Every dealer liable to pay tax on goods listed in Schedule VI of this Act;
 - e) Every commission agent, broker, delcredere agent, auctioneer or any other mercantile agent by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any non-resident principal;
 - f) Every dealer availing industrial incentive in the form of tax holiday or tax deferment
 - g) Every dealer executing any works contract exceeding Rs.5 lakhs for State Government or local authorities or every dealer opting to pay tax by way of composition of works contracts.
 - 6)
 - a) Any dealer effecting sales of goods liable to tax under this Act and who is not otherwise liable to register may also opt for registration as a VAT dealer, and such registration shall be subject to the conditions that may be prescribed.
 - b) Any dealer intending to effect sales of goods liable to tax under this Act and who is not otherwise liable to register, may also opt for registration as a VAT dealer and such registration shall be subject to the conditions that may be prescribed.
- 7) & 8) Refers to TOT registration
- 9) Where a registered dealer dies or transfers or otherwise disposes of his business in whole, the successor or the transferee, unless already in possession of registration shall be liable to be registered under this Act.
 - 10) An application for registration shall be made to the authority prescribed in such manner and within such time as may be prescribed.

- 11) If the authority to whom an application is made under sub-section 10 of this section is satisfied that the application is bona-fide and is in order and in conformity with the provisions of this Act and the rules made there-under, he shall register the applicant and grant him a certificate of registration in the prescribed form.

Section 18

- 1) The authority prescribed shall issue a registration identification number known as
 - (a) Taxpayer Identification Number (TIN) to a dealer registered as a VAT dealer
 - (b) Refers to TOT registration
- 2) Every VAT dealer or TOT dealer who is allotted Taxpayer Identification Number (TIN) or General Registration Number (GRN) shall indicate such number on all returns, forms, tax invoices or any other documents used for the purpose of this Act.

Section 19

- 1) Any VAT dealer or TOT dealer registered under section 17 of this Act shall apply for cancellation or amendment of registration in such circumstances as may be prescribed.
- 2) The authority prescribed may, for good and sufficient reasons cancel, modify or amend any certificate of registration issued by him;

Provided that no order shall be passed under this sub-section without giving the dealer a reasonable opportunity of being heard.

3. RULES ON VAT REGISTRATION

Rule 4. Procedure for Registration:

- (1) Every dealer liable or who opts to be registered under sub-sections (2) to (6) of Section 17 of the Act, shall submit an application for VAT registration in form VAT 100 to the authority prescribed.
- (2) Refers to TOT registration
- (3) Refers to TOT registration
- (4) Every dealer who is allotted a Taxpayer Identification Number (TIN) under Rule 28 of Andhra Pradesh General Sales Tax Rules 1957 as on the 31st March, 2005 shall be deemed to be registered as VAT dealer, if he is required to register as a VAT dealer under the provisions of AP VAT Act 2005.
- (5) Where a dealer has more than one place of business within the State, he shall make a single application in respect of all such places specifying therein, one of such places as place of business for the purpose of registration and submit it to the authority prescribed within whose jurisdiction such place of business is situated.
- (6) Every dealer required to be registered under sub-section 5 (c) of section 17 of the Act shall authorise in writing on Form VAT 129 a person residing in the State who shall be responsible for all the legal obligations of the dealer under the Act.

Rule 5. Time to apply for Registration

- (1) (a) Every dealer who is required to register under sub-section (2) of Section 17 of the Act, shall apply for registration not later than 15 days and not earlier than 45 days prior to the anticipated date of the first taxable sale.
(b) Every dealer who is required to register under sub-section (3) of Section 17 of the Act shall make an application by the 15th of the month subsequent to the month in which the liability to register for VAT arose.
(c) Refers to TOT registration
- (2) Every dealer who is required to register under sub-section (5) of Section 17 of the Act shall apply for registration fifteen days prior to the anticipated date of first taxable sale and not earlier than 45 days prior to the anticipated date of first taxable sale unless an application is made under Sub Rule (3) of this Rule.
- (3) Any dealer effecting sales of goods liable to tax under this Act may apply to register under Sub-Section (6)(a) of Section 17 of the Act and such registration shall be subject to the conditions prescribed in Rule 8 of these Rules.
- (4) Any dealer intending to effect sales of goods liable to tax under this Act may apply to register under sub-section (6)(b) of Section 17 of the Act and such registration shall be subject to the conditions prescribed in Rule 9 of these Rules

ILLUSTRATION OF TIME TO APPLY FOR REGISTRATION IS GIVEN BELOW:

Sl. No.	Section in the Act	Rule	Type of registration	Time to apply	Example
1	17(2)	5(1)(a)	New dealer commencing business	Apply not later than 15 days prior to and not earlier than 45 days prior to the anticipated date of first taxable sale	Expected date of taxable sale is 20.7.2005 Time to apply for VAT registration is between 5.6.2005 and 5.7.2005
2	17(3)	5(1)(b)	Running business (A TOT dealer or unregistered dealer)	Apply by the 15 th of the month subsequent to the month in which the obligation / liability to register for VAT arose.	Liability to register for VAT arose on 31.8.2005. Time to apply for VAT registration is on or before 15.09.2005. Review the taxable turnover for the preceding 3 months at the end of each month
3	17(4)	4 (4)	Dealers registered under APGST Act and allotted Taxpayer Identification Number	No need to apply for fresh VAT registration Numbers.	Deemed registration for VAT for those dealers who are allotted Taxpayer Identification Numbers.
4	17(5)	5(2)	Dealers liable for VAT registration irrespective of taxable turnover	Apply for registration not earlier than 45 days but not later than 15 days prior to making sales or transactions requiring VAT registration	Expected date of transaction / first taxable sale 20.8.2005 Time to apply is between 5.7.2005 and 5.8.2005
5	17(6)(a)	5(3)	Existing business effecting taxable sales & having no liability to register for VAT but opting to register for VAT.	Since it is a voluntary registration, dealers making taxable sales can apply when they require VAT registration.	
6	17(6)(b)	5(4)	New business intending to effect taxable sales (start up business) and applying for VAT registration.	No time limit.	A dealer setting up a factory and anticipating first taxable sale after, say, 20 months can apply any time.
7			Refers to TOT registration		
8			Refers to TOT registration		
9			Refers to TOT registration		

Rule 6. Effective date of Registration

- (1) The VAT registration shall take effect:
- (a) From the first day of the month during which the first taxable sale is declared to be made in the case of registration under sub-section (2) of Section 17 of the Act; or
 - (b) From the first day of the month subsequent to the month in which the requirement to apply for registration arose in the case of registration under sub-section (3) of Section 17 of the Act or
 - (c) From the 1-4-2005 in the case of dealers liable for VAT registration under sub-section (4) of Section 17 of the Act or
 - (d) From the first day of the month in which the dealer becomes liable for registration under sub-section (5) of Section 17 of the Act or
 - (e) In the case of a dealer in business opting for registration as a VAT dealer under sub-section (6)(a) of Section 17 of the Act:
 - i) Where the application is made, on or before the 15th of the month, the effective date will be the 1st day of the month following the month in which the application is made;
 - ii) Where the application is made, after the 15th of the month, the effective date will be the 1st day of the month following the month subsequent to the month in which the application is made.
 - (f) From the first day of the month in which the dealer applied for registration under sub-section (6)(b) of Section 17 of the Act
- (2) Refers to TOT registration
- (3) Refers to TOT registration

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR APPLICATIONS RECEIVED IN TIME ARE GIVEN BELOW:

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
1	17(2)	6(1)(a)	New dealer commencing business	From the first day of the month during which the first taxable sale is declared to be made	Date of first taxable sale is 20.7.2005 Applied for VAT registration on 3.7.2005 EDR is 1.7.2005
2	17(3)	6(1)(b)	Existing business. (A TOT dealer or unregistered dealer).	From the first day of the month subsequent to the month in which the liability to apply for registration arose.	Liability for registration arose on 31.8.2005 Applied for VAT registration on 11.9.2005 EDR is 1.10.2005
3	17(4)	6(1)(c)	Dealers registered under APGST Act and having liability to register for VAT.	From the date of commencement of the Act.	Dealers who are allotted Taxpayer Identification Numbers as on 31.03.2005 are deemed to be registered as VAT dealers. EDR is 01.04.2005

4	17(5)	6(1)(d)	Dealers liable for VAT registration irrespective of taxable turnover	From the first day of the month in which the dealer has applied for VAT registration.	Transaction / sale under the Act on 20.08.2005 Applied for VAT registration on 05.08.2005 EDR is 01.08.2005
5	17(6)(a)	6(1)(e)	Voluntary registration of a existing business	From the first day of the month following the month in which application for registration is made if it is made on or before the 15 th of the month. From the first day of the month following the month subsequent to the month in which application for registration is made, if it is made after 15 th of month.	Applied for VAT registration on 10.08.2005 EDR is 01.09.2005 Applied for VAT registration on 30.08.2005 EDR is 01.10.2005.
6	17(6)	6(1)(f)	New business intending to effect taxable sales (Start up business)	From the first day of the month in which the dealer has applied for registration.	Dealer setting up business on 20.7.2005. Applied for VAT registration on 03.09.2005 EDR is 01.09.2005.
7			Refers to TOT registration		
8			Refers to TOT registration		
9			Refers to TOT registration		

Rule 7. Belated applications for Registration

- (1) In the case of belated application for registration submitted after the time limit prescribed in Rule 5 of these Rules registration shall take effect as below:
- (a) Where the application or detection was made in the month it was due, the effective date of registration will be the first of the next month.
 - (b) Where the application or detection was made in the subsequent month following the month it was due, the effective date of registration will be first of the month the application or detection was made.
 - (c) Where the application or detection was made in the months subsequent to those defined in (a) and (b) of this sub-rule, the effective date of registration will be first of the month in which the application or detection was made.

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR BELATED APPLICATIONS ARE GIVEN BELOW:

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
1	17(10)	71 (a)	Belated application for registration for new dealers commencing business and liable for VAT or TOT registration and dealers liable for VAT registration irrespective of taxable turnover.	(i) Application /or detection in the month in which the taxable sale is made- EDR will be first day of the next month.	i) Date of first taxable sale shown is 20.07.2005 Applied for VAT/ TOT registration on 31.07.2005 EDR is 01.8.2005
		71 (b)		(ii) Application or detection in the following month- EDR will be first day of the month.	(ii) Date of taxable sale is 20.7.2005 Applied for VAT/ TOT registration on 16.08.2005 EDR is 01.08.2005
		71 (c)		(iii) Application or detection in the subsequent months- EDR will be first day of the month of application or detection.	(iii) Date of first taxable sale is 20.7.2005 Applied for VAT/TOT registration on 15.10.2005 EDR is 01.10.2005
2	17(10)	71(a)	Belated application for registration for VAT or TOT by existing dealers exceeding registration threshold.	(i) Application or detection in the month in which the application was due- EDR will be first day of the subsequent month.	i) Liability for VAT / TOT registration on 31.08.2005 Applied for VAT / TOT registration on 25.09.2005 EDR is 01.10.2005
		71(b)		(ii) Application or detection in the following month in which application was due- EDR will be first day of the month in which the application is received.	(ii) Liability for VAT / TOT on 31.08.2005 Appliedfor VAT/TOT registration on 10.10.2005 EDR is 01.10.2005
		71(c)		(iii) Application or detection in the subsequent months- EDR will be first day of the month in which application or detection was made.	(iii) Liability for VAT/ TOT on 31.08.2005 Applied for VAT / TOT registration on 19.12.2005 EDR is 01.12.2005

Rule 8. Voluntary Registration

- (1) A VAT dealer registered under the sub-section (6) (a) of Section 17 of the Act shall fulfil the following requirements:
 - a) the dealer shall be making taxable sales.
 - b) the dealer shall have a prominent place of business owned or leased in his name.
 - c) the dealer shall have a bank account.
 - d) the dealer shall not have any tax arrears outstanding under APGST Act 1957 or CST Act 1956 or APVAT Act 2005
- (2) A dealer registered under sub-section (6) (a) of Section 17 of the Act shall:
 - a) maintain the full records and accounts required for VAT
 - b) file accurate and timely VAT returns and pay any tax due.
 - c) remain registered for 24 months from effective date of registration.
- (3) Where VAT dealer registered under sub-section (6)(a) of Section 17 of the Act fails to file timely tax returns and fails to pay any tax due and his taxable turnover remains under the limits specified in sub-section (2) and (3) of Section 17 of the Act, the authority prescribed shall cancel such registration after giving the VAT dealer the opportunity of being heard.

Rule 9. Start up Business:

- (1) A dealer intending to set up a business in taxable goods who does not anticipate making first taxable sales within the next 3 months and applying for VAT registration shall be treated as a start up business.
- (2) A dealer referred to in sub-rule (1) shall make an application in Form VAT 104 in addition to form VAT 100 to the authority prescribed.
- (3) A dealer applying for registration as a start-up business under sub-section 6 (b) of Section 17 of the Act may apply to be registered only for a period of 24 months prior to making taxable sales.
- (4) A dealer registered as a start up business under sub-section 6 (b) of Section 17 of the Act may claim a tax credit on each tax return for a period of 24 months prior to making taxable sales. The input tax claimed must be in respect of tax paid on inputs relating to prospective taxable business activities. The credit will be eligible for refund under the provisions of Section 38 of the Act. The provisions of sub-section (1)(b) of Section 38 of the Act shall apply only from the tax period in which the first taxable sale was made.
- (5) A dealer registered as a start up business under sub-section 6 (b) of Section 17 of the Act shall abide by all the duties and obligations of a VAT dealer including the proper keeping of books of accounts and regular filing of returns.
- (6) A dealer shall cease to be registered under the provisions of sub-section 6 (b) of Section 17 of the Act and become registered under the provisions of sub-section 1 of Section 17 of the Act, when that dealer makes a taxable sale in the course of business.
- (7) A dealer shall cease to be registered under the provisions of sub-section 6 (b) of Section 17 of the Act at the end of 24 months period from the date of registration if no taxable sale has been made. In this case, the registration will be cancelled under the provision of Rule 12 of these Rules.

- (8) The Deputy Commissioner may at his discretion, where there are reasonable grounds, vary the conditions under sub rules (3), (4), (6) and (7) and may grant further time upto twelve months for making the first taxable sale and to continue as Start-up business.

Rule 10. Issue of Certificates.

- (1) The authority prescribed shall issue a certificate of VAT registration on Form VAT 105.
- (2) In the case of a Start –up business, the authority prescribed shall issue a notice in Form VAT 106 in addition to Form VAT 105.
- (3) Refers to TOT registration.

Rule 11. Suo-moto registration and refusal to register.

- (1) The authority prescribed may register a dealer who, in the opinion of the authority prescribed is liable to apply for registration as VAT dealer or TOT dealer but has failed to do so. The dealer shall be provided with an opportunity to state his case before registration is effected. A registration under this sub-rule shall be issued on Form VAT 111 or Form TOT 02005.
- (2) Where the authority prescribed is not satisfied with the information furnished by the applicant and has reasons to believe that the applicant does not meet the requirements for registration as VAT dealer or TOT dealer, he shall provide an opportunity specifying the reasons for refusal before passing any orders for refusal to issue registration. A notification under this rule shall be issued on Form VAT 103 or Form TOT 017.

Rule 12. Certificate of Registration.

- (1) The certificate of VAT / TOT registration shall be displayed in a conspicuous place at the place of business mentioned in such certificate and a copy of such certificate shall be displayed in a conspicuous place at every other place of business within the State.
- (2) No certificate of registration issued shall be transferred.
- (3) Where the certificate of registration issued is lost, destroyed, defaced or mutilated a duplicate of the certificate shall be obtained from the authority prescribed in Rule 59.

4. FURTHER EXPLANATION OF REGISTRATION PROVISIONS UNDER THE LAW AND RULES

1) Explanation of definitions:

- **“Taxable turnover”** is the value without any tax of all taxable sales including zero-rated sales but excluding exempt sales and exempt transactions.
- **“Exempt sales”** are the value of sales on which no tax is chargeable and no input tax credit is allowed.
- **“Exempt transactions”** are the value of the transfer of goods outside the state by any VAT dealer, otherwise than by way of sale.
- **“Zero-rated sales”** are sales in the course of inter-state trade or commerce, exports outside the territory of India including sales in the course of export and sales of any goods to any unit located in a Special Economic Zone.

2) Voluntary registration:

- Is available to any taxpayer conducting a taxable business regardless of the taxable turnover level.
- **Is subject to conditions:**
- Obligation to remain registered for 24 months
- Books, accounts and records required to be maintained as required by the Act and Rules.
- Returns (Including Nil Returns) to be filed and tax due paid.
- **Benefits of voluntary registration:**
- Any taxpayer making taxable sales to other registered persons may need to seek voluntary registration so that his VAT registered customer can claim a credit for input tax.
- VAT registration gives credibility and status to the business.
- A taxpayer who sells principally to non-VAT registered persons is unlikely to benefit from VAT registration since the price he charges will have to be increased to account for the VAT due.

3) Start-up business:

- This is the only provision in the VAT Law for a taxpayer to be registered more than three months prior to the date of the first anticipated taxable sale.
- **Purpose of the Provision:**
- To encourage investment in Andhra Pradesh
- To enable taxpayers to register for VAT to claim VAT credits on purchases made on setting up a business intended to make taxable sales.
- **Conditions for a start-up business registration:**
- Separate application to be completed
- Registration prior to making taxable sales for 24 months only – can be extended in exceptional circumstances to be approved by the DC.
- All specified records and accounts for VAT must be maintained.
- Returns (including nil returns) must be filed every month

- Records and accounts must be made available for audit.
- VAT dealers cease to be registered as a **'Start up'** business as soon as taxable sales are declared on the return.
- Prior to the making of a taxable sale, VAT credits are carried forward on the Form VAT 200 until such time as taxable sales are declared when the credit can be offset against tax due.

5. PROCEDURES FOR VAT REGISTRATION OF DEALERS PRIOR TO 1 APRIL 2005

1) Legal basis for advanced registration

Order issued by Government of Andhra Pradesh dated

2) Publicity action to be taken

Advertise VAT registration requirements in the press, radio, TV and seminars

3) Registration of dealers already having a Taxpayer Identification Number (TIN)

These dealers should be defined under six categories:

- i) Dealers who have declared a total turnover exceeding Rs. 40 lakhs for the preceding 12 months ending December 2004.
 - Circle offices should prepare a list of all such dealers and issue Forms VAT 150 and 150A together with VAT leaflets 01, 02, 05 and 20. The date of issue of the Forms should be recorded in VAT pre-registration record (VAT PRR). Any queries against this notification should be reviewed locally and the notification of VAT registration either confirmed or cancelled.
- ii) Dealers who have declared a total turnover exceeding Rs. 10 lakhs for the preceding 3 months ending December 2004.
 - Circle offices should prepare a list of all such dealers and issue Forms VAT 150 and 150A together with VAT leaflets 01, 02, 05 and 20. The date of issue of the Forms should be recorded in VAT PRR. Any queries against this notification should be reviewed locally and the notification of VAT registration either confirmed or cancelled.
- iii) Dealers who are currently registered under the CST Act 1956 or are otherwise required to register for VAT regardless of the threshold level under the provisions of sub-section (5) of 17 of the Act.
 - Circle offices should prepare a list of all such dealers and issue Forms VAT 150 and 150A together with VAT leaflets 01, 02, 05 and 20. The date of issue of the Form should be recorded in VAT PRR. Any queries against this notification should be reviewed locally and the notification of VAT registration either confirmed or cancelled.
- iv) Dealers whose turnover increases during the period 1 January 2005 to 31 March 2005 so that their turnover either exceeds Rs. 40 lakhs in the preceding 12 months or Rs. 10 lakhs in the preceding 3 months, shall be required to notify their obligation for VAT registration. The procedures set out in "Processing of Form VAT 100 applications" below should be followed
- v) Dealers not included in (i) to (iii) above but whose total turnover exceeds Rs. 5 lakhs in the preceding 12 months ending March 2004.
 - Circle offices should prepare a list of all such dealers and issue Forms VAT 151 and 151 A together with VAT leaflets 01, 02, 03, 05 and 20. The date of issue of the Forms should be recorded in VAT PRR.
 - The dealer should be advised, that on the information available, he does not appear to have to register for VAT but he should consult VAT leaflet 02 to establish whether he

has a liability to register. If he has no liability to register he should consult the advice in the leaflet to decide whether he wishes to opt for VAT registration voluntarily. A reply to Forms VAT 151 and 151 A should be required within 14 days.

- Follow up action should be taken for any failure to reply within the 14 days.

vi) Dealers whose total turnover does not exceed Rs. 5 lakhs in the preceding 12 months ending December 2004.

- Form VAT 152 should be issued to such dealers notifying them that on the information available they have no obligation to register for Turnover Tax (TOT) or VAT. Record in VAT PRR.
- They should be advised that if their total turnover exceeds Rs. 5 lakhs in future, they should apply for TOT or VAT registration as appropriate.

4) Procedures to be undertaken to complete registration of dealers with existing TIN's:

i) Sub-section 3) (i) to (iii) above

- The date of issue of the Forms VAT 150 and 150A should be recorded in VAT PRR.
- The VAT registration of dealers in this category should be completed by inputting the turnover data supplied on Form VAT 150A, by completing boxes 25-33 of Form VAT 100 for each VAT dealer and by arranging transfer of all data to the VASTIS system.
- The dealer should be notified of his VAT registration on Form VAT 150B and the existing TIN number advised as being the TIN allocated for VAT registration purposes. Form VAT 105 should be issued. Record in VAT PRR.
- Where dealers with existing TIN's are not liable to be registered for VAT, action should be taken to cancel the TIN. Record in VAT PRR.

ii) Sub-section 3) iv) above

The normal procedures set out in the processing of Form VAT 100 applications should be followed.

iii) Sub-section 3) v) above

- The date of issue of the Forms VAT 151 and 151 A should be recorded in VAT PRR
- The VAT registration of these dealers should be completed as follows;
 - Where the VAT dealer has declared a liability to be registered for VAT, he should be dealt with under the provisions of 4) i. Record in VAT PRR.
 - Where the dealer opts for voluntary registration he should also be dealt under provision 4) i above with the appropriate notation of the voluntary status of the registration. Record in VAT PRR.
 - Where the dealer declares his turnover to be in excess of Rs. 5 lakhs and below Rs. 40 lakhs with no obligation for VAT registration, he should be registered for TOT in accordance with the instructions that follow on the processing of TOT registrations. Record in VAT PRR.

iv) Sub-section 3) vi) above

- The date of issue of Form VAT 152 should be recorded in VAT PRR, any response from the dealer should be recorded

- Where the dealer fails to respond to the issue of Form VAT 152 within 14 days or accepts that there is no obligation to register, the TIN should be cancelled and notified on form VAT 152A and the dealer records removed to the cancellation section of the registry. Record in VAT PRR.

5) Dealers registering under the APGST Act after 31 December 2004:

- Such dealers should be classified under the provisions of 3) i)-vi) set out above, based on the declaration in box 16 of Form VAT 100.
- Forms VAT 100 together with leaflets 01, 02, 05 and 20 should be issued to dealers who have a liability to register for VAT or opt to register voluntarily. Dealers liable to register for TOT should be issued with Form TOT 001 together with VAT leaflet 03. Record in VAT PRR.
- Failure to respond within 14 days should be result in follow up action.
- On receipt of completed Form VAT 100 or Form TOT 001 processing should be completed as set out in chapter 6 for Form VAT 100 and Chapter 21 for Form TOT 001.

6) Direct Applications by Dealers after 31 December 2004 and before 1 April 2005:

- Action should be taken in accordance with chapter 10 of this manual.

6. PROCESSING OF FORM VAT 100 APPLICATIONS

- a) The dealer should complete form VAT 100 in duplicate. The receiving officer should ensure the application is fully completed and any queries resolved with the dealer.
- b) The receiving officer should record the receipt of the application at Box 25 of the original Form VAT 100. The duplicate copy should be certified 'RECEIVED', dated and signed by the officer, and returned to the dealer as a receipt for the document. Record in VAT PRR.
- c) The original Form VAT 100 should be passed for processing in accordance with the instructions for processing VAT registration applications. The effective date of registration (EDR) should be established in accordance with these instructions and noted by the Processing Officer. Record in the VAT PRR.
- d) When a dealer has completed 'Yes' at Box 19, Form VAT 104 should be issued and, on completion, attach to the Form VAT 100 for consideration as start-up registration. Record in the VAT PRR.

7. ISSUE OF VAT REGISTRATION CERTIFICATES

- a) Form VAT 100 should be certified by the Processing Authority, approved for registration and passed to the Commercial Tax Officer (CTO) of the Circle who is the designated registering authority. Record in VAT PRR.
- b) Placed with Form VAT 100 and dead-filed in the Circle Office. Record in VAT PRR. The CTO should authorize or reject the application. In the case of authorization, a VAT Registration Certificate (Form VAT 105) should be prepared and a TIN allocated through the computer.. The certificate should be issued preferably by post along with Form VAT 101 and Box 36 completed on Form VAT 100. In the case of a Form VAT 104 application, Form VAT 106 should be prepared and issued with Form VAT 105. A separate record should be maintained of start up registrations. Record in VAT PRR.
- c) Where a registration application is rejected, Form VAT 102 should be completed and issued to the dealer. Record in VAT PRR.
- d) In the event of no response within 10 days of the issue of Form VAT 102, the rejection of the application should be confirmed and Form VAT 103 issued. Record in VAT PRR.
- e) Where a dealer responds to Form VAT 102, the CTO should reconsider the application and if satisfied, complete the registration process. If he is not satisfied, the rejection should be confirmed on Form VAT 103. If the dealer wishes to pursue the application, he should follow the appeal procedures. Record in VAT PRR.
- f) The original Form VAT 100 and Form VAT 104 together with duplicate Forms VAT 105 and Form VAT 106 should be filed in the dealer registration file in the Circle Office. In the case of a rejected application, duplicate Form VAT 103 should be field in the registration file of the dealer.

8. SUO MOTO REGISTRATIONS

- a) If the dealer does not respond to:
 - The reminder on Form VAT 110, and to
 - A visit made by an officer, and has not submitted a completed Form VAT 100, the processing authority should establish the liability of the dealer to register for VAT, from any available records, and take the following action:
 - Complete Form VAT 100 in **red** ink with the available details concerning the dealer and submit the completed Form VAT 100 to the registering authority for issue of a VAT registration certificate. Record in VAT PRR.
- b) The registering authority should register the dealer, prepare and certify Form VAT 105 along with Form VAT 111. The forms should be handed to the dealer and separately recorded in the VAT register. Box 32 on Form VAT 100 should be completed. Record in VAT PRR.
- c) An Advisory Visit to the dealer should be planned at the earliest opportunity to obtain the completed Form VAT 100 from the dealer and to update the details available in the VAT database. Record in VAT PRR.

9. CONCLUSION

- a) The initial VAT registration process must be completed by the end of March 2005.
- b) VAT registration of dealers will remain an ongoing process within the VAT system.

10. GENERAL PROCEDURES AND INSTRUCTIONS FOR PROCESSING VAT REGISTRATION APPLICATIONS (FORMS VAT 100)

1) Receipt of Application

- a) When Form VAT 100 is received from a dealer the application should be checked for completeness. Any queries should be resolved with the dealer. The date of receipt of Form VAT 100 should be recorded in box 25 on both the original and duplicate copies. The original copy of Form VAT 100 should be retained for processing and the duplicate copy returned to the dealer as a receipt for his application together with a **computer-generated acknowledgement**.
- b) When Form VAT 100 is received from service centres, the application should be checked for completeness and entered on the computer to **generate an acknowledgement number**.
- c) When a Form VAT 100 is received incomplete, it should be acknowledged by means of a computer advice and returned to the dealer. The reasons for the return of the application should be provided.
- d) When a Form VAT 100 is received incomplete from a service centre, the dealer should be contacted to visit the tax office and finalise the completion of the application.

2) Checking Form VAT 100

- a) Confirm that all boxes on the form are completed or struck out where not applicable.
- b) A passport size photograph of the sole proprietor, all partners in the case of partnership firms, all directors in the case of registered companies, etc, should be provided on Form VAT 100B. All the relevant details should be provided for each individual.
- c) Evidence of identity should be checked in the case of a sole proprietor, managing partner, managing director etc. It should be in any of the following forms, and a copy of the evidence enclosed with Form VAT 100:
 - Passport
 - Voter Identity Card
 - Proof of Bank Account
 - Ration Card
 - Driving Licence
 - PAN issued by the Income Tax Department.
 - Any other form acceptable to the registering authority.
- d) A non resident dealer or a company or enterprise which has an address outside the state should apply for VAT registration in Form VAT 100. When any person is submitting application for VAT registration on behalf of a non-resident dealer , or any person authorised is submitting for VAT registration on behalf of a company or enterprise which has an address outside the State, the application must be checked to ensure a clear residential address and office address of such person/ authorised person is provided within the State of AP.The form VAT 129 signed by such outside the state dealer authorising a person having local address should be checked.

3) Processing Form VAT 100 boxes 6 – 13 & 26

[Box 6]

- a) The nature of the business activities should be identified in box 6, which may be:
- Manufacturer
 - Wholesaler
 - Distributor
 - Agent
 - Retailer
 - Hotel
 - Works Contractor **executing works for State Government and local Authorities**
 - **Other works contractors.**
 - Lessor
 - Importer
 - Exporter
 - Any combination of the above
 - Any other - should be specified.

Please see the Activity & Commodity Code Listing set out at the end of section 10 marked Annex A:

[Box 7]

- The principal commodity traded should be declared and identified from the information provided. In the case of multiple goods being traded such as provisions stores, supermarkets, etc, a general description 'MULTIPLE GOODS' should be provided.
- Where the principal commodity declared indicates that the goods are included in Schedule VI to the VAT Act Box 34 should be completed

[Box 26]

- The Activity/Commodity Code should be allocated from the listing supplied. In the case of multiple activities or multiple commodities, the multiple coding provided should be used. Box 25 should be completed.

[Box 8]

- The bank account details should be checked for accuracy.

[Box 9]

- The Permanent Account Number (PAN) allocated by the Income Tax Department should be provided.

[Box 10]

- The address of the additional place of business, branches and godowns including those located outside AP should be declared on Form VAT 100A. This should be checked for accuracy.

[Box 11]

- The particulars of the partners/directors of the firm/companies including the residential addresses should be provided on Form VAT 100B. This should be checked for accuracy.

[Box 12]

- Any case where the records are not maintained in English should be identified and the language declared recorded in the database.

[Box 13]

- Where the business accounts are computerized, this should be recorded in the database.

4) Date of First Taxable Sale, box 14

[Box 14]

- In the case of an existing business, the date of the first taxable sale will be 01.04.2005, the commencement of VAT.
- In the case of an existing business, migrating from TOT registration to VAT registration, the date of first taxable sale is the date when the liability arose.
- In the case of a new business, the date of the first taxable sale declared will be the date of the first sale expected by that business.
- In the case of a declaration that the date of the first expected taxable sale is more than 3 months after the date of application on Form VAT 100, the dealer should be issued with Form VAT 104 and subject to a satisfactory declaration registered as a start-up business. Where Forms VAT 100 and Form 104 are submitted together they should be processed simultaneously.

5) Effective Date of Registration (EDR), boxes 2, 4, 5, 6, 7, 14, 15, 16, 18, 19, 20, 23, 27, 37

1. Compulsory registration regardless of turnover

- The declaration in boxes 1,2,4,5,6,7,20 and 23 should be checked to establish if registration is required regardless of the level of taxable turnover.

[Box 24]

- The declaration in box 24 should be checked to establish whether the dealer is a tax incentive case or not. The EDR of any dealer availing of a tax incentive, for example tax deferment or tax holiday, is the date of implementation of the Act or 1 April 2005, whichever, is the sooner in the case of existing dealers. In the case of new dealers availing incentives, the EDR will be as applicable to the new businesses.

[Box 20]

- Any dealer importing goods from outside the territory of India is required to register for VAT prior to applying for registration under the CST Act.

[Boxes 2 & 14]

- Any dealer residing outside AP and conducting business within AP is required to register from the first of the month in which the first taxable sale is declared on Form VAT 100.

[Boxes 6 & 7]

- Any dealer liable to pay tax on goods listed in Schedule VI to the Act is required to register from the first of the month in which the first taxable sale is declared on Form VAT 100. An agent or authorised person should be appointed to represent the non-resident principal.

[Box 6]

- Any commission agent, broker, del credere agent, auctioneer or mercantile agent who carries on the business of buying, selling, supplying or distributing goods on behalf of any non-resident principal is required to register from the first day of the month in which the first taxable sale is declared on Form VAT 100.
- Any dealer executing any works contract exceeding Rs.5 lakhs for the state Government or local authority is required to register from the first of the month in which the first taxable sale is declared on Form VAT 100.

[Box 37]

- In all the above cases where taxable sales are declared to be made within three months of the date of the application, the effective date of registration will be the 1st day of the month in which the date of the first taxable sale is declared providing this is within three months of the date of application. Box 37 should be completed.

[Box 16]

- Dealers who are not required to register compulsorily should have their declaration checked in Box 16. Where a dealer has declared an expected annual taxable turnover for 12 consecutive months exceeding Rs.40 lakhs, the effective date of registration should be the first day of the month in which the first taxable sale is declared providing this is within three months of the date of application. Box 37 should be completed.

[Box 15]

- Dealers not required to register compulsorily whose declaration in Box 16 does not exceed 40 lakhs should have the declaration in Box 15(a) and (b) checked. If the declared taxable turnover in Box 15(a) exceeds Rs.10 lakhs or the taxable turnover in Box 15(b) exceeds Rs.40 lakhs, the effective date of registration will be the first day of the month following the month in which either limit was exceeded (e.g. limit exceeded end June, apply for registration in July, registered from 1 August). Box 37 should be completed.

[Box 18]

- Dealers not required to register compulsorily and whose declaration in Box 16 does not exceed Rs.40 lakhs and in Boxes 15(a) and (b) does not exceed Rs.10 lakhs and Rs.40 lakhs respectively should have the declaration in Box 18 checked. If Box 18 is indicating 'YES' and the business is known to be trading or assessed as a genuine business, registration should be effected as a voluntary registration. The effective date of registration will be the first day of the month following the month of application if the application is received by the 15th of the month. Applications received after the 15th of the month will have an effective date of registration of the first day of the subsequent month (e.g. application received 16th October, effective date of registration 1st December). Boxes 28 & 37 should be completed.

If Box 18 is noted 'NO', the dealer should be required to clarify if he is seeking VAT registration and the reasons therefore.

[Box 19]

- If the date of the first taxable sale is more than three months after the date of application, or Box 19 is marked 'YES', the application should be processed as a start-up business registration, as set out under paragraph 6 below.

6) Processing Forms VAT 100 Boxes 17 - 23

[Boxes 17]

- In the case of an entry in Box 17, Box 27 should be noted.

[Box 18]

- In the case of a 'Yes' in Box 18, the application should be checked that the business has a permanent address (Box 2) and with a bank account (Box 8) and that taxable sales have been declared in Box 15. Where the date of the first taxable sale in Box 14 is later than the date of the application, the application should be rejected. If satisfied, the application should be accepted and Box 28 noted. Otherwise the application should be recommended for rejection with reasons for the rejection.

[Box 19]

- In the case of a declared first taxable sale (Box 14) more than three months after the date of the registration application or a 'YES' entry in Box 19, Form VAT 104 should be issued to the dealer. The following action should then be taken:
 - (a) The completed Form VAT 104 should be checked for completeness and accuracy. It should be confirmed that the application is for a business that will in due course make taxable sales. If the application indicates that the anticipated sales will be exempt under the VAT Act 2005, the application should be rejected.
 - (b) The effective date of registration for satisfactory Form VAT 104 applications should be first day of the month of the original application on Form VAT 100.
 - (c) Boxes 29 and 37 on Form VAT 100 should be completed.
 - (d) In the case of an unsatisfactory application, it should be recommended for rejection with reasons.

[Box 20]

- If a dealer indicates "Yes" for CST registration in Box 20 he is required to be registered for VAT. Box 30 should be completed.

[Box 21]

- The registration number under the Profession Tax Act should be entered.

[Box 22]

- If 'YES' is indicated in Box 22, the reasons provided should be confirmed as acceptable. Box 31 should be completed.

[Box 23]

- If 'YES' is indicated in Box 23 it indicates that a notice of requirement to register has been issued. Record in VAT PRR.

7) Activity/Commodity Code

- a) In the case of dealers already registered under the APGST Act, the code should be allocated on the basis of information available in the tax office.
- b) In the case of new registrations, the code should be allocated on the basis of the information provided on Box 6 & 7 of Form VAT 100. The allocation of the activity/ commodity code should be made on the guidance in Annexes A and B. The code allocated should be confirmed on the first visit to the VAT dealer.

8) Action by the processing officer (ACTO)

- a) The processing officer should follow the procedures outlined in the preceding sections and pay particular attention to the activity commodity code, Box 26, and the effective date of registration, Box 37.
- b) The processing officer should then certify Form VAT 100, recommending registration or rejection and forward to the registering authority (CTO). Record in VAT PRR.

9) Action by the CTO - Registering Authority (RA)

Note :- PRE-REGISTRATION VISIT

A. When to conduct a Pre-Registration Visit?

When the details of Form-VAT 100 are captured in the computer and on processing the registering authority before issue of Registration Certificate can consider to conduct a pre-registration visit in the following exceptional circumstances:

The computer allocates the marks to the VAT dealer based on the parameters like Status of business, Principal business activities, Commodities traded etc. The Pre-registration visit must be conducted only in the cases of proprietary concern/partnership firms. No pre-registration visit should be made for TOT dealers.

If the marks obtained by the dealer is 8 & above, out of 10, the dealer must be compulsorily visited before issuing VAT Registration.

If the marks obtained by the dealer are between 6-8, the Registration Authority can take a decision whether to conduct a pre-registration visit or issue registration without visit. Where the dealer scores less than 6 marks, no pre-registration visit should be made and if more details about the dealer are required, they can be obtained at the time of advisory visit.

B. How to conduct a Pre-Registration visit?

When the Registration Authority decides to conduct a Pre-Registration visit, the following details must be specifically checked/obtained before considering to issue VAT Registration.

- 1. Physically verify address, place of business with contact phone numbers.
- 2. Verify the status of occupancy of business premises and obtain the documentary evidence wherever required.
- 3. Verify the details of proprietor/partners and satisfy the identity of the persons.
- 4. Check randomly the correctness of residential address of the proprietor/partners.

5. Verify the other related licences to conduct business in case of sensitive commodities. For eg: If a dealer intends to trade in oil seeds, any licences obtained from agricultural market yard should be verified.
6. Verify the correctness of the bank a/c. details furnished by the dealer.
7. If PAN is not furnished, obtain the same.
8. In case books are maintained in other than English language, the details of the accountant should be obtained.
9. Obtain information about any previous businesses carried on by the applicants.
10. Obtain the movable and immovable property particulars of the proprietor/partners.
11. Wherever the Registration Authority feels it necessary, he may insist on filing of surety.
 - a) The RA should review the application and if satisfied, authorize registration on Form VAT 100, allocate a TIN and complete Boxes 36, 37 and 39. The RA should sign both copies of Forms VAT 101 & 105 and arrange for the issue of the documents to the VAT dealer. Record in VAT PRR.
 - b) If the application for VAT registration is not accepted, the RA should issue Form VAT 102 providing the reasons for rejection and issue to the dealer. Record in VAT PRR.
 - c) If the dealer fails to respond within 10 days of date of issue of Form VAT 102, the RA should issue Form VAT 103 confirming the rejection of registration and Box no 38 on Form VAT 100 should be completed. Record in VAT PRR.
 - d) If the dealer responds to Form VAT 102, the RA should reconsider the facts and either issue Form VAT 101 & Form VAT 105 or confirm the refusal and issue Form VAT 103. Record in VAT PRR.
 - e) In the case of a start-up business, the RA should sign both copies of Form VAT 106 and issue the original with Forms VAT 101 & 105. Record in VAT PRR.
 - f) The RA should complete the initial action within 2 working days from the receipt of the documents.

10) Final Action

- a) Original copies of Forms VAT 101/105/106 should be issued to the VAT dealer, the duplicate copies should be filed in the VAT dealer registration file. Record in VAT PRR.
- b) In the case of rejection of the application, duplicate Form VAT 102 & 103 should be attached to the original Form VAT 100 and filed in dead filing. Record in VAT PRR.
- c) Any appeal against rejection of the application should be dealt with under the Appeals Procedure.

11) Effective date of registration for belated applications for registration

- a) The failure to apply for VAT registration within the timescale prescribed can be identified from:
 - Processing a VAT 100 application
 - Voluntary declaration by the dealer

- Use of the reference system in the audit
 - Receipt of intelligence
- b) Where a dealer fails to apply for registration within the timescale provided in the Rules to this Act, registration shall be effected as set out below:
- i. Where the application is made or the failure detected in the month the application was due, the EDR will be the first of the current month in the case of dealers who had an obligation to register in that month because their taxable turnover was expected to exceed Rs. 40 lakhs. Where the dealer had an obligation to register because of increased taxable turnover, the EDR will be the first of the next month. In such a case, the delayed application should not be treated as an offence.
 - ii. Where the application is made or the failure detected in the subsequent month following the month the application was due, the EDR will be the first of the month in which the application or detection is made.
 - iii. Where the application is made or the failure detected in the month subsequent to those defined in a) and b) above, the EDR will be the first of the month the application or detection is made.

12) Action to be taken for belated notification of registration

- a) Where the application or detection is made as in 11 (b) i) of these instructions:
 - Where the dealer was required to register from the first of the previous month, he shall be assessed for the tax due prior to the EDR. Tax should be calculated based on his taxable turnover with no input tax credit allowed. The assessment should be made on Form VAT 305A and confirmed on Form VAT 305, the assessment procedures being followed. No penalty or interest will be due. Tax due after the EDR will be collected in the normal way by the filing of the VAT return.
 - Where the dealer was required to register as a result of an increase in taxable turnover, tax will be due from the EDR. No penalty or interest will be due. Tax due after the EDR will be collected in the normal way by the filing of the VAT return.
- b) Where the application or detection is made as in 11 b) ii) of these instructions:
 - Where the dealer was required to register from the first of the previous month because his anticipated turnover was expected to exceed Rs. 40 lakhs, he should be assessed for tax due prior to the EDR. Tax should be calculated based on his taxable turnover with no input tax credit allowed. The assessment should be made on Form VAT 305A and confirmed on Form VAT 305, the assessment procedures being followed. A penalty of 25% should be levied on the amount assessed and interest charged on the delayed payment.
 - Where the dealer was required to register as a result of increased taxable turnover, tax will be due from the EDR and should be collected in the normal way by the filing of the VAT return. Form VAT 305A and Form VAT 305 should be issued to collect the penalty of Rs. 5000 for the belated application.

- c) Where the application or detection is made as in 11 b) (iii) of these instructions:
 - Where the application or detection was made in months subsequent to a) and b) above, the EDR will be the month in which the application or detection is made. Tax should be assessed from the date the dealer had an obligation to be registered to the established EDR. The assessment should be based on the taxable turnover for that period with no input tax credit. A penalty of 25% of the assessed amount should be imposed on the tax assessed as due together with the interest due for the delayed payment.
- d) The provision of input tax credit for goods in stock at the date of registration which were purchased in the 3 months prior to that date should be allowed under the normal conditions and related to the EDR which has been defined.
- e) The procedure in the audit manual should be followed for the issue of assessments.
- f) Where the dealer registering for VAT is a TOT dealer, the TOT registration should be cancelled from the date established as the date the dealer was liable for registration. The normal TOT cancellation procedures should be followed and any TOT already paid after the date of cancellation should be refunded.
- g) Such a refund should not be made before the dealer has paid the VAT assessment for delayed VAT registration.
- h) **All cases where an assessment of tax is issued resulting from a belated application or detection should be reviewed by the AC - VAT Manager/ higher authority to ensure the correct procedures have been followed, the correct action taken and the accuracy of the assessment on Forms VAT 305A and 305**

13) Suo moto Registration

Where evidence becomes available either from an audit visit, or information from any other source, that a dealer is liable for VAT registration, and he has not applied for VAT registration, the following action should be taken:

- Forms VAT 100 and 110 should be issued. Record in VAT PRR.
- If the dealer fails to respond within 10 days, an officer should visit the dealer to establish the facts and if appropriate, ensure the dealer completes Form VAT 100. Record in VAT PRR.
- Where a completed Form VAT 100 is obtained, the normal registration procedures should be followed. Record in VAT PRR.
- If a completed Form VAT 100 is not obtained and a registration liability is established, a report should be made on Form VAT 300. The documents should then be passed to the RA. Record in VAT PRR.
- Where no response is received from the dealer, a Form VAT 100 should be completed in red from the information available in the tax office. The RA should, if satisfied, register the dealer suo moto and complete Box 33. Record in VAT PRR.

- Forms VAT 105 and 111 should then be delivered to the dealer and the copies filed in the registration file. Boxes 36 and 38 Form VAT 100 should be completed. Record in VAT PRR.
- All documents should be passed to the audit section for an urgent audit visit to establish the effective date of registration and issue an assessment for the arrears of VAT, penalty and interest due.
- All efforts should be made to obtain a completed Form VAT 100 from the dealer at the earliest opportunity to update the data on the computer.

14) Data Capture

- A computerized pre-registration record should be created from the existing tax office records.
- Computerized Divisional office records should be created.
- All the data on Form VAT 100 including the data in the official boxes should be captured. The data in Boxes 26 - 39 is critical for effective control and audit of the VAT dealer.

ANNEXURE - A
BUSINESS ACTIVITY CODE

Sl.No	Activity	Code
01)	Manufacturer	M
02)	Importer	I
03)	Exporter	E
04)	Distributor C & F Agent/Stockist	D
05)	Wholesaler/Stockist	W
06)	Retailer	R
07)	Agent	A
08)	Works Contractor/ State Government and local authorities	G
09)	Works Contractor/ Others	C
10)	Hotels	H
11)	Leasing	L
12)	Multiple Activities	Z
13)	Others	O

For the Business Activity Code, the items above should be interpreted as follows:

- i) Importer refers to a dealer who effects imports or purchases goods from out side the State and effects first sale of the same goods in the State (Obviously excludes a Manufacturer).
- ii) Distributor refers to a dealer authorised by specific companies to sell their products exclusively.
- iii) Wholesaler refers to a dealer who predominantly sells any goods to retailers/other dealers
- iv) Retailer refers to a dealer who predominantly sells to consumers.

PLEASE ALLOCATE THE CODES BY PROCESS OF ELIMINATION IN THE FOLLOWING STEPS:

- 1) First identify the predominant business activity of the dealer
- 2) If a dealer is a manufacturer along with other activities including exports, a priority code 'M' should be allocated
 - Ex: a) XYZ Pharmaceuticals Ltd., - Code 'M' should allocated
(Manufacturer, exporter, importer & distributor)
 - b) All rice mills, oil mills etc., - Code 'M' should be allocated)
- 3) If the predominant activity of the dealer is to import goods, including purchases, from outside India and effecting first sales, code 'I' should be allocated. This includes companies having their manufacture outside the State.
 - Ex: a) ABC Motors Ltd., bringing goods to the State on stock transfer and effecting first sales.
(exclusive dealer in Maruti Cars)
 - b) M/s. BPL Ltd.,

- 4) If a dealer is an exclusive exporter without manufacturing facilities, Code 'E' should be allocated.
Ex: STU Export House - Code 'E'
(exclusive exporter without having manufacturing unit)
- 5) If predominant activity of the dealer is acting as an agent for non-resident principal code 'A' should be allocated
- 6) If predominant activity is 'Works contract' ; Code 'C' ; hotelier, Code 'H' ; leasing, Code 'L' should be allocated
- 7) If predominant activity is retail sale i.e. effecting sales directly to consumers (and not falling in the category of importer) Code 'R' should be allocated.
- 8) If predominant activity is 'wholesale', selling any goods predominantly to other dealer's code 'W' should be allocated. If the activities of the dealer are considered as importer and wholesaler, activity code of 'I' only should be allocated depending on predominance of the activity
- 9) If you consider that a dealer cannot be fitted into specific predominant activity and he has diversified predominant activities, code 'Z' (multiple activity) should be allocated.
- 10) If a dealer cannot be fitted into any activities of Sl.No. 1 to 12 then code others 'O' should be indicated.

ANNEXURE - B

COMMODITY CODES TO IDENTIFY THE TAXPAYERS

Sl.No	Name of the Commodity	Code
1	Liquor	101
2	Petrol & Diesel	102
3	All Motor Vehicles except Tractors	103
4	Paddy & Rice & Bye-Products	104
5	Fuel (LPG,CNG)	120
6	Cement	106
7	Drugs & Medicines	107
8	Consumer Electronics	108
9	Coal	109
10	Fertilizers	110
11	Iron & Steel	111
12	Soaps including Washing Powder	112
13	Cosmetics	113
14	Cotton	114
15	Lubricants & other Petroleum Products except bitumen	115
16	Machinery	116
17	All kinds of Vegetable Oils	117
18	Electrical Goods except engines/motors	118
19	Tyres & Tubes	119
20	Paper	120
21	Aerated Waters and bottled water	121
22	Pesticides	122
23	Tea & Coffee	123
24	Confectionary	124
25	Paints & Colours	125
26	Automobile Parts	126
27	Industrial Electronics	127
28	Bullion, Jewellery and precious stones	128
29	All Pulses	129
30	Batteries	130
31	Chillies	131
32	Packing Materials - Other than HDPE sacks, gunnies, corrugated boxes	132
33	PVC Products - other than PVC cloth, rexine	133
34	Milk Products	134
35	Timber & Sizes	135
36	Readymade Garments & Hosiery Goods	136
37	Cotton Yarn	137
38	Plywood & Laminates	138

39	Electric Motors, Oil Engines	139
40	Cashew Nuts	140
41	Plastic Raw Materials	141
42	Pulp Wood, Bamboo and Casurina poles	142
43	All Kinds of Metals (Non-Ferrous Base Metals)	143
44	Prawn Feed, Poultry Feed, Animal Feed.	144
45	All kinds of Oil Seeds	145
46	Dyes & Chemicals	146
47	Cement Products	147
48	Plastic Footwear	148
49	Other Footwear	149
50	Flooring Materials except Granites & Marble	150
51	Coconuts	151
52	Jaggery	152
53	Watches & Clocks	153
54	Jute & Jute Products excluding Gunnies	154
55	Wheat & Wheat Products	155
56	Photographic Goods	156
57	Glass & Glass ware	157
58	Furniture	158
59	Cycles, Tricycles, Cycle Rickshaws & parts	159
60	Rubber Products & Coir Products	160
61	Turmeric	161
62	Mosquito Repellents	162
63	Sanitary Ware	163
64	Explosives	164
65	Bearings	165
66	Blades	166
67	Marble	167
68	Adhesives	168
69	Agarbathi	169
70	Granites	170
71	Electrodes	171
72	Hardware	172
73	Bakeries & Sweet meat shop	173
74	Fibre Glass	174
75	Betel Nut Powder	175
76	Matches	176
77	Foam & Foam Products	177
78	Pressure Cookers	178
79	Ice-Creams	179

80	Tamarind & Seed	180
81	Molasses & Rectified Spirit	181
82	Hides & Skins	182
83	Surgical Goods	183
84	Moulded Luggage	184
85	C.I.Pipes & Fittings	185
86	Pickles	186
87	Sewing Machines	187
88	Crockery & Cutlery	188
89	Stainless Steel	189
90	Prawn Seeds, Aqua culture	190
91	Sports Goods	191
92	Paper Products	192
93	Ginger & Garlic	193
94	Fire Works	194
95	Beedi Leaves	195
96	Dry Fruits, Spices and Condiments	196
97	Note Books, Diaries and Stationery	197
98	Gifts & Novelties	198
99	Natural Gas	199
100	Industrial Gases	200
101	Tractors and Parts & other Agricultural Implements.	201
102	Fabrication & Structures made of steel or other material.	202
103	Leather Products	203
104	Electronics	204
105	Bitumen	205
106	Certified Seeds	206
107	Branded bread	207
108	Bakeries	208
109	Sweet meat Shops	209
110	PVC Cloth, waterproof cloth, Rexine	210
111	Processed & Branded salt	211
112	Ice	212
113	HDPE Woven Sacks	213
114	Plastic containers	214
115	Corrugated box	215
116	Gunnies	216
117	Hotels	217
118	Works Contracts	218
119	Leasing	219
120	Sugar	220
121	Cotton Fabrics, Manmade fabrics & Woollen fabrics	221
122	Tobacco and tobacco products	222
123	Others	223

11. VAT RECORDS

1) Registration Record

a) **The following details should be recorded in the VAT Register:**

- **CST indicator**
- **Refund indicator**
- **Works contract indicator**
- **Suo moto registration indicator**
- **Schedule VI goods indicator**

b) **A separate record should be maintained of:**

- Start-up business prior to making taxable sales
- VAT dealers availing of tax holiday incentives
- VAT dealers availing of tax deferment incentives
- Suo moto registrations
- Voluntary registrations

c) **The VAT Register should provide for:**

- The recording of monthly VAT returns filing.
- Details of non-filers and Form VAT 201 (Notice of failure to file a VAT return)
- The recording of payments/ credits/ refunds. The details of underpayments and Forms VAT 202 (demand for unpaid tax.)
- The recording of the issue of assessments on Forms VAT 305A and 305. The recording of payments received on Forms VAT 305A and 305. The preparation of underpayments listings.
- The calculation of interest due on all late payments.

d) **VAT dealer account**

- A VAT dealer account record should be set up to provide a daily record of the credit/ debit balance of the VAT dealers VAT account.

e) **Sales tax credit claims**

- Initially, a record will be required for the control of sales tax credit claims. A record should be set up of Forms VAT 115 (claim for credit of sales tax) issued, Forms VAT 115 received, the amount of the claim, the amount of credit approved and the date Form VAT 116 (credit of sales tax approved) is issued.

f) **VAT credit claims on initial VAT registration**

- A record should be set up to monitor claims for VAT credit for VAT paid on stock on hand at the time of VAT registration. A record of Form VAT 118 (claim for credit of VAT) issued and received should be maintained and the amount of credit approved on Form VAT 119 (credit of VAT approved) recorded.

2) Change in Registration details:

- The data for these changes should be captured as set out in chapter 14 of this manual.

3) Details of cancellation:

- Date of cancellation of VAT Registration
- Type of cancellation – (voluntary or compulsory)

12. INSTRUCTIONS FOR THE CONTROL OF START UP BUSINESSES

1) Registration

- a) When a business not making taxable sales is identified from a Form VAT 100 (registration application), the dealer should be advised that he is not eligible for VAT registration until such time as he makes a taxable sale. Where the dealer claims he is the process of establishing a business Form VAT 104 (start-up business registration application) should be issued in duplicate to the dealer together with VAT leaflet 08. Record in VAT PRR.
- b) On receipt of the completed Form VAT 104 in duplicate, the Form should be checked for completion and accuracy. Any queries should be resolved with the dealer. The dealer should be required to produce evidence of planned taxable business activities. Record in VAT PRR.
- c) The processing officer should:
 - ensure the name of the business entered at Box 01 of the Form VAT 104 (registration application for start-up business) agrees with the Box 01 of Form VAT 100.
 - check the planned business activities and projected date of commencement of trading to ensure the details included in Boxes 02 - 06 of Form VAT 104 are accurate, and the business activities will result in taxable sales in due course.
 - If the application is not acceptable, issue Form VAT 102 notice defining the reasons for non-acceptance. Record in VAT PRR
 - The processing officer should note Form VAT 104 with the approval of the application or the reasons for non-acceptance.
 - Enter the effective date of registration in Box 37 of Form VAT 100. This date should be the first day of the month the application for registration was made.
 - Certify Form VAT 100 and the Form VAT 104 in the space for the processing officer and pass to the RA. Record in VAT PRR.
- d) Where the RA approves the application, Forms VAT 101, 105, and 106 should be prepared in duplicate. The original copies should be issued to the dealer and duplicates noted with date and method of issue. The duplicates should be filed in the VAT dealer registration file. Record in VAT PRR.
- e) The processing officer should record the registration in the VAT register under the separate record for dealers registered as a start-up business. Record in VAT PRR.
- f) The original Forms VAT 100 and 104 should be filed in the VAT dealer registration file. Record in VAT PRR.
- g) If the application is not acceptable. Prepare Form VAT 102 (notice of refusal of VAT registration) in duplicate defining reasons for non-acceptance and allowing the dealer to file objections within a period of 10 days. Issue the original Form VAT 102 to the dealer. Record in VAT PRR.
 - Response received – satisfactory – Issue certificate of registration, Form VAT 105. Record in VAT PRR.

Response not satisfactory – reject application for registration, issue Form VAT 103. Record in VAT PRR.

- If a response is not received from the dealer within 10 days, the application should be rejected and Form VAT 103 issued. Record in VAT PRR.

2) Cancellation of start-up business status

- a) A separate record of all start-up business registrations should be maintained. This should be reviewed on a monthly basis, by the CTO.
- b) All start-up business VAT dealers who file a monthly return showing taxable sales should be selected for audit unless audited recently. If the result of the audit confirms that genuine taxable sales have been made, Form VAT 107 (cancellation of start-up business registration) should be prepared in duplicate. The original should be issued to the VAT dealer and the duplicate filed in the VAT dealer registration file. The Form VAT 107 should only be issued after scrutiny of the audit report Forms VAT 300 and VAT 301. The date of ending of the start-up business status should be recorded. When the Form VAT 107 is issued, the VAT dealer should be removed from the start-up business register and treated as a normal VAT registration. Record in VAT PRR.
- c) At the end of every month the start-up business record should be checked to identify VAT dealers who have not made taxable sales within a twenty-four month period. At the end of the twenty-four month period Form VAT 108 (notice of cancellation of start up business) should be completed in duplicate from the VAT accounting records and the original issued to the VAT dealer. Record in VAT PRR.
- d) If the VAT dealer accepts the cancellation, or does not respond within 10 days of date of issue of the notice, the RA should cancel the VAT registration and form VAT 124 (notice of cancellation of VAT Registration) should be prepared in duplicate. The original should be issued to the dealer and the duplicate filed in the VAT dealer registration file. The registration should be removed from the start up dealer record and from the VAT register. The file should be retained in the cancelled registration record for a period of 6 years. Record in VAT PRR.
- e) If the VAT dealer objects to the cancellation of the registration, the full facts should be reported by the Commercial Tax Officer to the Deputy Commissioner for his consideration. Record in VAT PRR.
- f) The Deputy Commissioner may extend the period of special status of start up registration. He should satisfy that the VAT dealer registered is a genuine business venture with the intention of making taxable sales. The extension can be given up to a period of twelve months. The decision should be notified to the dealer. Record in VAT PRR.

13. PROCEDURES AND INSTRUCTIONS FOR PROCESSING CHANGES IN VAT REGISTRATION DETAILS

1) Changes in registration details required to be notified to the Registering Authority within 14 days:

- a) Cessation of business
- b) Change in the status of the business
- c) Any change in the name, address of the place of business or address of branches
- d) Any change in business activities or the nature of taxable activities or principal commodities traded
- e) Where a dealer commences/ ceases to execute works contracts for State Government departments or local authorities as specified.
- f) Any change in the constitution of the business
- g) Any change in bank account details

2) Action to be taken to implement the changes notified

Any VAT dealer notifying a change in registration details by whatever means should be required to complete Form VAT 112 (change in registration details).

On receipt of the completed Form VAT 112 the processing authority should take the following action:

a) Cessation of business.

- Action should be taken under the provisions of chapter 15 of this manual. Record in Registration Cancellation Record (RCR).

b) Change in the status of the business.

- Where a change in status of a business (proprietor to partnership, partnership to private limited company etc) is concerned, the following action should be taken
- Complete Box 12 of Form VAT 112 - date of receipt. In the case of the change in the legal status of the VAT dealer that relates to the change from a proprietor to another business status, for example partnership to a limited company, take the following action. Complete Box 13 of Form VAT 112 and issue Forms VAT 100 (deleting appropriate paragraphs) and VAT 101 and complete Box 14 on Form VAT 112. Record in VAT PRR.
- On receipt of the completed Form VAT 100, re-register the VAT dealer under the new name or legal status ensuring that there is no break between the two registrations. Since this is the transfer of a business the conditions of the VAT Rule 36 must be met. The original VAT registration should be cancelled suo moto where the conditions are met. Record in RCR. The original and new registrations should be cross-referenced and noted in the VAT register.
- Where the VAT Rule 36 conditions are not met the cancellation procedure in Chapter 15 of this manual should be followed.
- Where the conditions of VAT Rule 36 are not met, VAT must be charged on the sale of goods and assets and accounted for on the final return made by the VAT dealer cancelling his registration

c) Changes in the name of the business, address of the place of business or address of branches

- Date of receipt of Form VAT 112-enter in box 12
- Amend the name of the business or the address of the business or the address of the branch in the VAT register records and the VAT dealer file-complete box 15.
- Amend and issue the certificate of registration (Form VAT 105)-complete box 14. Record in VAT register records.
- Where the proposed new place of business is in the jurisdiction of a different registering authority , the registration file along with the application shall be transferred to that authority.
- In such a case the TIN of VAT dealer will be the same provided there is no change in the status of the firm.

d) Any change in CST status

- Date of receipt of Form VAT 112-enter in box 12
- Record the change in VAT register records-complete box 15.

e) Any change in business activities or the nature of taxable activities or principal commodities traded

- Date of receipt of Form VAT 112-enter in box 12
- Record the change in VAT register records-complete box 15.

f) Where a dealer commences to execute works contracts for State Government or local authorities as specified.

- Date of receipt of Form VAT 112-enter in box 12
- Record the change in VAT register records-complete box 15.

g) Where a dealer ceases to execute works contracts for State Government or local authorities as specified.

- Date of receipt of Form VAT 112-enter in box 12
- Record the change in VAT register records-complete box 15.

h) Any change in the constitution of the business

- Where a change in the composition of a partnership or the directors of a company is concerned:
- Date of receipt of Form VAT 112-enter in box 12
- Record the change in VAT register records-complete box 15.

i) Any change in bank account details

- Date of receipt of Form VAT 112-enter in box 12
- Record the change in VAT register records-complete box 15.

Failure to notify changes within the time and manner prescribed will attract a penalty of Rs. 2000/-

14. PROCEDURES FOR THE CANCELLATION OF VAT REGISTRATION

1) Voluntary cancellation

The Registration Section should complete all actions.

- Application Form VAT 121 should be issued in duplicate.
- The date of receipt of the completed application Form VAT 121 should be recorded in Box 12 and in RCR. The receipt should be acknowledged on the duplicate copy and returned to the VAT dealer.
- The Form VAT 121 should be checked against the information in the VAT dealer file. Resolve discrepancies with the VAT dealer.
- Confirmation of the VAT arrears position should be obtained in writing from the Return Processing Section.
- The date of cancellation should be recorded in Box 13 on Form VAT 121 or refusal of application recommended. Record in RCR.
- The Form VAT 121 should be passed to the Registering Authority for approval/refusal.
- If the application is refused, Box 15 of Form VAT 121 should be noted and Form VAT 123 prepared in duplicate. The original copy should be issued to the VAT dealer and the duplicate filed in the VAT dealer file. Record in RCR.
- If the application is accepted Form VAT 122 and final VAT Return Form VAT 200C should be issued.. The VAT dealer should be notified of any VAT arrears due for payment. Box 14 of Form VAT 121 and the RCR should be noted.
- *The final return and registration certificate should be obtained for cancellation.*
- The final return should be audited if required. Forms VAT 305A and 305 should be issued to assess any tax, or any penalty or interest that may be due.
- *Confirmation of the payment of additional tax, penalty, or interest collected by Return Processing Section, should be obtained.*
- Form VAT 124 should be issued and recorded at Box 16 on Form VAT 121. Record in RCR. Remove from the VAT Registration Record.
- The VAT dealer file should be filed in dead filing. Retain for 6 years. Record in RCR.

Should the VAT dealer fail to comply with the three sections in italics above, action should be followed under enforcement and collection procedures.

2) Compulsory cancellation by the Registering Authority

The Registration Section should complete all actions.

- Form VAT 125 should be prepared for submission to the RA with the reasons for proposed cancellation of the registration. Record in RCR.
- After authorization, Form VAT 125 and return Form VAT 200C should be issued. The tax arrears due for payment should be notified on Form VAT 125. Record in RCR.

- If a response is received from the VAT dealer objecting to cancellation of the VAT registration, a recommendation should be made to the RA as to whether the cancellation should be maintained. Record in RCR.
- If no response is received from the VAT dealer within 14 days after the issue of Form VAT 125, Form VAT 124 should be prepared for submission to the RA. Record in RCR.
- After authorization by the RA, the effective date of cancellation should be established and the original Form VAT 124 issued to the VAT dealer. Record in RCR.
- The date of cancellation should be recorded in the VAT Register.
- *The final return and Registration Certificate should be obtained for cancellation.*
- *The final return Form VAT 200C should be passed to the Return Processing Section for processing. Tax payment, payment of tax arrears, and payment of any penalty or interest due should be confirmed.*
- Audit if required, Forms VAT 305A and 305, assessment for additional tax and any tax arrears, penalty or interest should be issued if appropriate.
- The registration should be removed from VAT Register Record.
- The VAT dealer file should be filed and retained for 6 years in dead filing.

Should the VAT dealer fail to comply with the section in *italics* above, action should be followed under enforcement and collection procedures.

15. INSTRUCTIONS FOR THE CANCELLATION OF VAT REGISTRATION

1) Voluntary cancellation

The Registration Section should control all actions.

- Cancellation application Form VAT 121 should be issued in duplicate in response to any request for cancellation of a VAT registration. Record in RCR.
- A VAT dealer should apply for cancellation by filing Form VAT 121 at the tax office. The processing officer in the Registration Section should record the date of the receipt on Form VAT 121 (Box 12), and in the RCR. Any queries should be resolved with the VAT dealer. The duplicate copy should be certified that the application has been received and returned to the VAT dealer.
- The Form VAT 121 should be checked for completeness and the details thereon compared with the information in the VAT dealer file. The criteria for cancellation should be checked. Any uncertainties should be resolved by contact with the VAT dealer. A visit should only be carried out in exceptional circumstances, to resolve major concerns over the application.
- The processing officer should confirm that the grounds on which the application for cancellation is made are acceptable:
 - there must be evidence of the closure of the business, or
 - the taxable turnover for the preceding 3 months must be below Rs.10 lakhs AND for the preceding 12 months below Rs.30 lakhs
 - in the case of a voluntary registration, the turnover must be below the level mentioned above and the VAT dealer must have been registered for twenty-four months.
- The legal date of cancellation should be established if the application is acceptable. The date should be the end of the month in which the application is received. This date should be recorded in Box 13 of Form VAT 121 and in RCR. A check should be carried out with the Return Processing Section to establish if there are any VAT arrears. A written statement of VAT arrears, should be obtained.
- When the processing officer has completed the action above, the Form VAT 121 and VAT dealer file should be passed to the RA with a recommendation as to whether the registration should be cancelled.
- The RA should decide whether cancellation is appropriate, and where cancellation is approved certify Form VAT 121 and sign Form VAT 122. Where cancellation is refused, the RA should certify Form VAT 121 and sign Form VAT 123. Record in RCR.
- In the case of cancellation, Form VAT 122 should be issued and the date of issue recorded in Box 14 of Form VAT 121. The duplicate Form VAT 122 should be filed in the VAT dealer registration file. Record in RCR.
- In the case of refusal of cancellation, Form VAT 123 should be issued and the date of issue recorded in Box 15 of Form VAT 121. The duplicate Form VAT 123 should be filed in the VAT dealer registration file. Record in RCR.

- Where cancellation has been refused the VAT dealer file should be returned for ongoing VAT control action.
- If the application is accepted, Form VAT 122 with final VAT return form VAT 200C should be issued to the VAT dealer. The VAT dealer should be notified of the arrears of VAT due for payment with the final return. Action should be recorded in RCR.
- The final return and registration certificate should be obtained within 20 days. The registration certificate should be cancelled and filed in the VAT dealer file. The file should be passed to enforcement section to obtain the final return if it is not received within 20 days. Record in RCR.
- The final return should be processed in return processing section. Any VAT arrears due should be notified to the VAT dealer on Form Vat 202. The return should be passed to enforcement section to obtain payment if necessary. The receipt of the final return should be recorded in RCR.
- The registration section should select final returns for audit based on the final return declaration and the information in the VAT dealer file. The risk of VAT being due on stock and assets on hand should be considered. Any additional tax should be assessed if necessary. Audits should be kept to a minimum and should only be carried out when significant amounts of VAT appear to be at risk.
- On completion of the audit any underpayment of tax should be assessed and Forms VAT 305A and 305 issued. Any unpaid VAT due must be advised to enforcement section to obtain payment. Record action in RCR.
- Finally, registration section should issue Form VAT 124, complete Box 16 on Form VAT 121, and update RCR. The VAT dealer details should be removed from the VAT register and VAT dealer file filed in dead filing for retention for 6 years. Record in RCR.
- The Head of the Section must check the RCR records weekly.
- Action to collect outstanding VAT, penalties and interest should continue in accordance with the procedures and instructions regarding enforcement.

2. Compulsory Cancellation by the Registering Authority
The Registration Section should control all actions.

- VAT dealers identified for compulsory cancellation of VAT registration should have the VAT dealer file submitted to the RA for authorization of the cancellation of the registration. The registering authority should sign Form VAT 125 if approving the cancellation and record in the RCR.
- Form VAT 125 and return Form VAT 200C should be issued. A copy of Form VAT 125 should be retained in VAT dealer file. VAT arrears (if any) should be established by written notification from the return processing section. Record in RCR.
- The date of issue of Form VAT 125 and final return and the amount of VAT arrears should be recorded in RCR. If there is no response from the VAT dealer or the response received is not satisfactory, the registering authority should confirm the cancellation by issuing Form VAT 124. Record in RCR.

- The date of notified cancellation should be recorded in the VAT register and the RCR.
- The final VAT return and VAT registration certificate should be obtained and the registration certificate cancelled. The VAT dealer file should be passed to enforcement section for collection of the return, registration certificate and outstanding payments if these have not been obtained within 20 days. Record in RCR.
- The return should be passed to return processing section for processing. The file should be passed to enforcement section for collection of the return if not received within 20 days. Any underpayment of tax declared should also be referred to enforcement section for collection action. The registration certificate Form VAT 105 should be cancelled and filed in the VAT dealer's file. Record in RCR.
- The VAT arrears, potential tax due to be paid on stock and assets on hand and the likelihood of the collection of VAT with regard to the tax history of the VAT dealer should be considered in the selection of cases for audit. An audit should only be undertaken if over Rs.10,000/- is considered to be outstanding. Forms VAT 305A and 305 should be issued for any tax assessed as due. Record in RCR.
- Additional tax, tax arrears, penalty and interest should be collected. The file should be passed to enforcement section for collection if payment is not received within 20 days of the issue of Form VAT 305. Record in RCR.
- The registration section should cancel the VAT registration. The VAT dealer file should be filed in dead filing and retained for 6 years. Record in RCR.

Check and note revenue risks when cancelling VAT of registrations.

REVENUE RISKS AT CANCELLATION OF REGISTRATION

Sl.No.	Risks	Control Measure
1.	Continuing to trade over the registration threshold	Identify taxable sales from this dealer on audit visits to other VAT dealers and review cancelled registrations
2.	Continuing to issue tax invoices after cancellation	Watch for use of cancelled VAT TIN's on audit visits
3.	Claims that taxable turnover are below the threshold. Suppression of sales	Prior to cancellation check business accounts, trading records, bankings and any outstanding references.
4.	Failure to account for tax on stock and assets at cancellation of registration	Audit visit action

Leaflet 01

Value Added Tax (VAT) is a form of sales tax. It is collected in stages on transactions involving sales of goods. Tax paid on purchases (input tax) is rebated against tax payable on sales (output tax). VAT is levied on sales of all taxable goods. VAT is not levied if sales of goods are not made in the course of or in furtherance of business.

01. WHO SHOULD PAY VAT?

An individual, partnership, company etc., who sells goods in the course of business and who is registered or is required to register for VAT should pay VAT (*See VAT leaflet 02 “Value Added Tax Registration Guide”*)

02. WHEN IS VAT CHARGEABLE?

VAT is chargeable if the sales of goods:

- are made in the State of Andhra Pradesh
- are made by a VAT dealer in the State
- are made in the course of or in furtherance of a business; and
- are not specifically exempt or zero-rated.

03. WHAT ARE TAXABLE SALES?

Sales of goods made in/ or from the State of Andhra Pradesh, which are not exempt, are taxable sales.

Sales are outside the scope of VAT if they are -

- made by someone who is not a VAT dealer ; or
- not made in the course of or in furtherance of business.

04. WHAT OTHER TAXABLE SALES MAY BE LIABLE TO VAT?

Other than your normal business sales, you should also account for VAT on the following sales:

- a) Sales to your staff or sales from vending machines;
- b) Sales of business assets (e.g. Equipment, furniture, commercial vehicles);
- c) Sales under Hire-purchase agreement or lease of goods to someone else;

05. ARE THERE ANY OTHER KINDS OF SALES?’

Apart from taxable sales, there are sales that the Value Added Tax Act, 2005 specifies as exempt.

06. HOW DO I KNOW IF MY SALES ARE EXEMPT OR ZERO-RATED ?

Exempt sales are listed in Annexure-I and zero-rated sales are listed in Annexure-II to this leaflet.

[Remember, any taxable sale that is not exempt, is liable to tax at one of the rates specified in the APVAT Act, 2005.]

07. WHAT IS THE DIFFERENCE BETWEEN EXEMPT AND ZERO-RATED SALES?

With both zero-rated sales and exempt sales you don’t charge VAT. For zero-rated sales you are eligible to claim a tax credit for the input tax paid on your purchases; whereas for exempt sales you are not eligible to claim a tax credit for the input tax paid on your purchases relating to such exempt sales.

08. WHAT IS THE VAT LIABILITY OF BRANCH TRANSFER AND CONSIGNMENT SALES?

Such transactions are exempt from VAT liability, but you are eligible to claim an input tax credit for tax paid in excess of 4%.

09. WHAT ARE THE RATES OF VAT?

There are three main rates of tax. The rates are 1%, 4%, (lower rates) and a standard rate of 12.5%. There will be Special rates on Liquor, Petrol and Diesel.

10. HOW DO I KNOW THE RATE OF TAX ON THE GOODS I SELL?

All goods not listed in Schedule I – IV of the VAT Act 2005 are liable at the standard rate.

Classification of goods and the rates of tax are listed in the Schedules to the APVAT Act 2005. A VAT dealer can find in these schedules, the rate (s) of tax applicable to the goods sold.

11. WHAT IS OUTPUT TAX ?

It is the VAT chargeable on all the taxable sales made by a VAT dealer.

12. WHAT IS INPUT TAX ?

It is VAT charged on your purchases of goods. If you are registered for VAT you can normally claim a credit for the VAT charged on most business purchases.

13. CAN I ALWAYS CLAIM CREDIT FOR MY INPUT TAX ?

Normally, you are eligible to claim input tax credit on your purchases of:

- raw materials;
- capital goods eg: machinery, equipment for use in the business;
- packing material;
- tools and accessories used in the business; and
- goods for resale.

However, you can not claim credit for VAT paid on goods not meant for business and those goods listed in the APVAT Rules 2005.

14. WHAT ARE THE GOODS ON WHICH I CANNOT CLAIM AN INPUT TAX CREDIT ?

You can not claim an input tax credit for the following goods unless you are in the business of dealing in those goods:

- a. All automobiles including commercial vehicles / two wheelers / three wheelers required to be registered under the Motor Vehicles Act 1988 and including tyres and tubes, spare parts and accessories for the repair and maintenance thereof; unless the dealer is in the business of dealing in these goods.
- b. Fuels used for automobiles or used for captive power generation or used in power plants.
- c. Air conditioning units other than used in plant and laboratory, restaurants or eating establishments, unless the dealer is in the business of dealing in these goods.
- d. Any goods purchased and used for personal consumption
- e. Any goods purchased and provided free of charge as gifts otherwise than by way of business practice.

- f. Any goods purchased and accounted for in the business but utilized for the purpose of providing facilities to employees including any residential accommodation.
- g. Crude oil used for conversion / refining into petroleum products.
- h. Natural Gas and coal used for power generation.
- i. Any inputs used in construction or maintenance of any buildings including factory or office buildings, unless the dealer is in the business of executing works contracts.
- j. Earth moving equipment such as bulldozers, JCB's and poclairn etc., unless the dealer is in the business of dealing in these goods.
- k. Generators and accessories thereof used for captive generation unless the dealer is in the business of dealing in these goods.

15. WHAT IS THE EFFECT ON MY INPUT TAX IF I MAKE TAXABLE AND EXEMPT SALES ?

If you are making taxable and exempt sales you may only be entitled to claim a credit of input tax for the part related to taxable sales (see VAT leaflet 04 "*What can I credit as Input Tax?*").

16. WHAT PROOF DO I NEED TO CLAIM INPUT TAX ?

You must have an original tax invoice to substantiate a claim for input tax credit. If you do not possess such a document you must obtain one, otherwise you will not be eligible to claim a credit.

17. HOW DO I CLAIM MY INPUT TAX CREDIT ?

When you complete your VAT return each month you can claim an input tax credit on that return. If the claim for input tax credit exceeds the amount of output tax on the return, you are entitled to a refund or to carry forward a credit. You will be able to claim a refund of excess input tax if you make international exports.

18. WHAT SHOULD I DO TO OBTAIN FURTHER INFORMATION ?

You should contact your Tax Office to obtain further information.

Leaflet 02

This leaflet will help you decide whether or not you have to register for VAT, and your obligations to register for turnover tax. It does not contain exhaustive information on everything to know about registration. More information can be obtained from your Tax Office.

Remember that if you are liable to register and you do not apply for registration at the proper time, you will be committing an offence under the Value Added Tax Act 2005 and may be liable to a penalty.

01. WHO HAS TO BE REGISTERED FOR VAT?

Any dealer conducting a business or intending to conduct a business may apply to be registered for VAT. However all persons conducting a business must register for VAT from the date they commence business if they believe their taxable turnover will exceed a threshold of Rs.40 lakhs in 12 consecutive calendar months.

All dealers must register for VAT if their taxable turnover exceeds Rs.10 lakhs for the preceding three consecutive calendar months.

Regardless of their taxable turnover the following dealers must register for VAT at the commencement of their business:

- Every dealer importing goods in the course of business from outside the territory of India.
- Every person residing outside the State but carrying on business within the State;
- Every dealer registered or liable to be registered under the Central Sales Tax Act 1956, or any dealer making purchases or sales in the course of inter-state trade or commerce or dispatches any goods to a place outside the State otherwise than by way of sale;
- Every dealer liable to pay tax at Special rates specified in Schedule VI. of the AP VAT Act 2005.
- Every commission agent, broker, del credere agent, auctioneer or any other mercantile agent by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of his non-resident principal.
- Every person availing an industrial incentive in the form of a tax holiday or tax deferment.
- Every dealer executing any works contract exceeding Rs 5 lakhs for the State Govt. or a local authority and any dealer executing works contracts and opting to pay by way of composition.

Taxable turnover is the aggregate total of sale prices of all taxable goods including goods taxable at zero rate. Sale price of goods and transactions exempted and VAT charged on taxable sales do not form part of Taxable Turnover.

(See VAT Leaflet 01: “**Value Added Tax Guide**”)

The term “any dealer” for the purposes of VAT registration includes:

Sole Proprietor

Partnership

Private Company

Public Company

Government Enterprise

Club, Society or Association

Hindu undivided family.

02. CAN I APPLY FOR VOLUNTARY REGISTRATION ?

Yes. However, your activities must constitute a business for VAT purposes and you will be required to meet the conditions laid down in the AP VAT Act 2005.

03. WHEN DO I BECOME LIABLE TO REGISTER FOR VAT ?

If you are in business in the categories listed in Question 1 of this leaflet, you must register prior to the commencement of your business. For other businesses, if you are commencing a business and expect your taxable turnover to exceed, in 12 consecutive calendar months Rs.40 lakhs you must register for VAT at the commencement of the business. Other dealers have to consider their taxable turnover over the preceding three consecutive calendar months. If during the past three calendar months your taxable turnover exceeded Rs.10 lakhs, you must apply for VAT registration by the 15th of the following month.

If you intend to make interstate purchases or sales or intend to dispatch goods outside the State other than by way of sale, then you must apply for VAT registration before applying for CST registration.

Illustration:

If your taxable sales exceeded Rs.10 lakhs during the month of August 2005 say on 25.08.2005. Your liability to be registered as VAT dealer arises at the end of August 2005.

The time to apply for VAT registration in this case is on or before 15.09.2005. You will be registered with effect from 01.10.2005. This is the date from which you are liable to charge and pay VAT. For the earlier period i.e., before 1.10.2005, you are liable for TOT.

04. HOW DO I CALCULATE MY TAXABLE TURNOVER?

Your taxable turnover is calculated on an ongoing basis. You should calculate at the end of each month the total value of taxable goods sold for the preceding three months. Where the total exceeds Rs.10 lakhs you are required to apply for VAT registration. You should also see whether your taxable turnover for the preceding twelve months exceeds Rs.40 lakhs. If it exceeds Rs.40 lakhs you are required to apply for VAT registration.

05. WHAT FACTORS DO I HAVE TO CONSIDER IN DECIDING WHETHER TO APPLY FOR VOLUNTARY VAT REGISTRATION?

In considering whether you should register voluntarily for VAT, you should ask yourself these questions:

a) Do I make taxable sales to other VAT dealers ?

If you are not registered for VAT you cannot issue tax invoices on which your customer VAT dealer can claim credit for the tax. Your customer will therefore have to charge a higher price for his sales if he cannot claim a credit for the VAT. In this case he might have to choose to trade with another VAT dealer and you would lose business.

b) Do I trade, principally with non-VAT dealers/consumers ?

In this case it is likely to be in your interest not to register for VAT.

c) What are the obligations of VAT registration ?

Once registered, you will have to account for output tax that is attributable to your taxable sales. You will also have to submit VAT returns monthly to the Commercial Taxes Department and

keep proper books of accounts.

If you decide to register voluntarily, the Law requires that you must remain registered for a period of two years regardless of your taxable turnover.

d) Is my input tax credit likely to exceed the tax on the sales I make?

In this case you will benefit from VAT registration.

06. IF I WANT TO REGISTER VOLUNTARILY, CAN THE COMMERCIAL TAXES DEPARTMENT REFUSE TO REGISTER ME?

Voluntary registration can be refused for one or more of the following reasons when an applicant:

- Has no taxable sales.
- Has no fixed place of business;
- Does not keep proper accounting records;
- Has not provided details of a bank account with any bank;
- Has arrears outstanding under APGST Act 1957 or CST Act 1956 or AP VAT Act 2005.
- Is not able to establish his identity.

Where the Commercial Taxes Department refuses an application for voluntary registration, you have the right to raise an objection and to pursue the issue to a formal appeal.

07. WHEN I REGISTER FOR VAT CAN I CLAIM A CREDIT FOR VAT I HAVE PAID ON MY GOODS IN STOCK AT THE TIME OF REGISTRATION ?

Yes. However to obtain this credit you must comply with the following conditions:

- The goods, including capital goods must be on hand on the date of effective registration notified on your VAT Certificate of Registration.
- The goods must have been purchased within the three months preceding the date of effective registration.
- The goods must have been purchased from a VAT dealer and you must have an invoice (not a tax invoice) from a VAT dealer with his TIN on the invoice.
- You must take inventory within 7 days of the date of effective registration.

YOU CANNOT CLAIM A CREDIT FOR TOT OR CST INCURRED BEFORE VAT REGISTRATION.

08. HOW DO I REGISTER FOR VAT?

Applications for VAT registration must be made on form VAT 100, (“Application for VAT registration”), which is obtainable from your Tax Office. You must fill in this form and submit it to the Tax Office.

09. WHEN DO I START TO CHARGE VAT?

You should start keeping VAT records and charging VAT to your customers from the date notified to you by the Commercial Taxes Department. This will be the date shown as the effective date of your registration on your Certificate of Registration. You will have to account for VAT from that date.

10. WHAT RECORDS DO I NEED TO KEEP FOR VAT PURPOSE?

You must keep records of all sales and purchases of goods and a summary of VAT for each tax period covered by your VAT returns. This summary is called a “**VAT Account**”. (See *VAT leaflet 05: “VAT Accounts & Records”*)

If you are already in business, you will find that your normal business records can be adapted to give this information.

11. WHAT ABOUT MY VAT RETURNS?

Every month, you must file a VAT return on Form VAT 200. The period covered by the return is called a Tax Period and will cover a calendar month.

You have to fill in details of the sales and purchases in that period and pay the total tax you owe to the Commercial Taxes Department or claim a refund or a credit.

Your VAT return and payment relating to a tax period must reach the Tax Office by the 20th day of the following month.

There are penalties for late filing of the return and for late payment or failure to pay the tax.

12. IF I DO NOT HAVE TO REGISTER FOR VAT AND I CHOOSE NOT TO REGISTER WHAT ACTION DO I HAVE TO TAKE?

If you start a business, or have a business operating you must apply for registration as a TOT dealer at your local Tax Office, if your taxable turnover in any period of 12 consecutive months exceeds Rs.5 lakhs or you expect it to exceed Rs.5 lakhs.

13. WHAT IS THE PROCEDURE FOR REGISTRATION AS A TOT DEALER?

If you are already a registered dealer with the Commercial Taxes Department and do not apply for VAT registration you will be issued with a notification of General Registration as a TOT dealer, provided your taxable turnover exceeds Rs.5 lakhs but not Rs.40 lakhs for the year ending 31-03-2005.

If you are applying for Registration as a TOT dealer under the APVAT Act 2005 on or after 1.4.2005, you must complete a simple application form and take it to your Tax Office. You will receive a notice of General Registration if your application is satisfactory.

14. WHAT ARE THE OBLIGATIONS OF A TOT DEALER ?

You must fulfill the following obligations:

- (a) You must file a quarterly return and pay the tax due for each quarter ending June, September and December and March by the end of the following month.
- (b) Failure to file the quarterly return and make the payments due can result in the imposition of penalties and interest charges.
- (c) A person registered for turnover tax cannot claim a credit for any VAT that he is charged in the course of his business or any turnover tax charged by his suppliers.
- (d) A person registered for turnover tax cannot issue a VAT invoice.

(See *VAT leaflet 03 “Turnover Tax Guide”*)

15. WHAT SHOULD I DO TO OBTAIN FURTHER INFORMATION:

You should contact your local Tax Office.

ANNEXURE – I
List of goods Exempt from tax

Sl.No.	Name of the Commodity
1.	Agricultural implements manually operated or animal driven
2.	Aids and implements used by handicapped persons
3.	Aquatic feed, poultry feed and cattle feed including grass, hay and straw
4.	Betel leaves
5.	Books, periodicals and journals
6.	Charkha, Ambar Charkha and Gandhi Topi
7.	Charcoal
8.	Jowar, Maize, Ragi, Bajra, Kodan, Kutki, Barley, Varigalu or variga rice, Korralu or Korra Rice.
9.	Condoms and contraceptives
10.	Cotton Yarn in hank and silk yarn in hank
11.	Curd, Lussi, Butter Milk and separated milk
12.	Earthen pot
13.	Electrical energy
14.	Firewood other than casuarina poles, eucalyptus logs and cut sizes there of
15.	Fishnet and fishnet fabrics
16.	Fresh milk and pasteurized milk other than UHT milk and skimmed milk powder
17.	Fresh plants, saplings and fresh flowers
18.	Vegetables & fruits (other than those cured, frozen, prescured, processed, dried, dehydrated or canned)
19.	Garlic and Ginger
20.	Bangles made of shell, Glass, Lac or Plastic
21.	Handlooms parts and accessories there of and goods prodedced from handlooms
22.	Human blood and blood plasma
23.	Kumkum, Bindi, Alta and Sindur
24.	Meat, Fish, Chicken, Prawn, Prawn seed and other aquatic products when not cured or frozen, eggs, livestock and animal hair
25.	National Flag
26.	Organic manure
27.	Non-judicial stamp paper sold by Government Treasuries; postal items like envelope, post card etc. Sold by Government; rupee note, when sold to the Reserve Bank of India and cheques, loose or in book form
28.	Raw wool
29.	Semen including frozen semen
30.	Silk worm laying, cocoon and raw silk
31.	Slate and slate pencils

32.	Tender green coconut
33.	Toddy, Neera and Arrak
34.	Unbranded bread
35.	Unprocessed and unbranded Salt
36.	Water other than- i) aerated, mineral, distilled, medicinal, ionic, battery, de-mineralised water and ii) water sold in sealed container
37.	Prasadam, Bhog or Maha Bhog by Religious Institutions
38.	Plantain Leaves
39.	Bamboo Matting
40.	Puffed Rice, Parched Rice, Murmuralu and Atukulu
41.	Husk of pulses, paddy, groundnut and wheat bran
42.	Leaf plates, leaf cups-pressed or stitched and vistarakulu
43.	Unbranded broomsticks
44.	Seeds of grass, Vegetables and flowers
45.	Cotton Fabrics., man made fabrics and woolen fabrics
46.	Sugar
47.	Tobacco

Explanation: The goods mentioned in entries 45, 46 & 47 of this schedules shall be goods included in the relevant heads and sub-heads of the 1st Schedule to the Additional Duties of Excise (Goods of special importance) Act 1957, but does not include goods where no additional duties of excise are levied under that schedule).

ANNEXURE – II

Sl.No.	Zero rated sales and transactions
1.	Sales in the course of inter state trade or commerce falling within the scope of Section 3 of CST Act, 1956
2.	Sales of goods falling within the scope of Section 5(1) and Section 5(3) of CST Act, 1956 i.e., international exports outside the territory of India and sales in the course of international exports.
3.	Sales of goods to any unit located in special Economic Zone.

APPLICATION FOR VAT REGISTRATION

[See Rule 4 (1)]

FORM VAT 100

Submit in duplicate
Read instructions on the reverse before completing this form
Use separate sheet where space is not sufficient.

Affix Passport Size
Photo of
Sole Proprietor.
In case Partnership
firm/Companies/others
Affix photos of
responsible persons
on VAT 100B

To
The Commercial Tax Officer,
VAT Registering Authority,
_____ Circle.

01. Name of the business to be registered:		
02. Address of Place of business:	Door No: Locality District Phone No: Email:	Street Town/City Pin Code Fax No: Website/URL:
03. Occupancy Status: Owned/Rented/Leased/Rent-free/Others		
04. Name & Address of the Owner of business (Residential Address of the Person responsible ie., Managing Partner /Managing Director for business).	Name: Date of Birth: Door No. Locality District Phone No Email:	Street Town/City Pin Code Fax No.
05. Status of business: (Mark “ ✓ “ where applicable)		
Sole Proprietorship	<input type="checkbox"/>	Partnership <input type="checkbox"/>
Public Limited Company	<input type="checkbox"/>	Govt. Enterprise <input type="checkbox"/>
		Private Limited Co., <input type="checkbox"/>
		Others (Specify) <input type="checkbox"/>
06. Nature of Principal business activities:		
07. Principal Commodities traded:		
08. Bank Account Details:		
<u>Bank Name</u> :	<u>Branch & Code</u>	<u>Account No.</u>
1.		
2.		
3.		

09. Income Tax Permanent Account Number: (PAN)			
10. Address of additional places of business/ Branches/Godowns (including those outside A.P): Use form VAT 100A			
11. Particulars of owner/Partners/Directors etc.,: Use Form VAT 100B			
12. Language in which books are written:			
13. Are your accounts computerized:		YES <input type="checkbox"/>	NO <input type="checkbox"/>
14. Date of first taxable sale	Date	Month	Year
15. Turnovers of taxable sales of goods including zero rate in: a) The last 3 months: Rs. b) The last 12 months: Rs.			
16. Anticipated turnovers of taxable sales of goods including zero rate in: a) The next 3 months Rs. b) The next 12 months Rs.			
17. Anticipated Turnover of exempted sales of goods and transactions in the next 12 months:			
18. Are you applying for voluntary registration:		YES <input type="checkbox"/>	NO <input type="checkbox"/>
19. Are you applying for registration as Start up Business:		YES <input type="checkbox"/>	NO <input type="checkbox"/>
20. Indicate your GRN Number, if any: Have you applied for CST Registration		YES <input type="checkbox"/>	NO <input type="checkbox"/>
21. Registration Number (if any Under Profession Tax Act:)			
22. Do you expect your input tax to regularly exceed your output tax? If yes Why ?		YES <input type="checkbox"/>	NO <input type="checkbox"/>
23. Are you applying for registration in response to a notice by the Tax Officer ? If yes, indicate the Notice number.		YES <input type="checkbox"/>	NO <input type="checkbox"/>
24. Any other relevant information like are you availing Tax incentives ? If so write details.			

Declaration:

I _____ S/o _____ Status _____
of the above enterprise hereby declare that the particulars given are correct and true to the best of my knowledge and belief. I undertake to notify immediately to the registering authority in the Commercial Taxes Department of change in any of the above particulars.

Date of application.

Signature with Stamp

FOR OFFICE USE ONLY

25. Date of receipt of application	
26. Activity/Commodity Code	
27. Exempt Indicator	
28. Voluntary Registration Indicator	
29. Startup Business Indicator	
30. CST Indicator	
31. Refund Indicator	
32. Works contract Indicator.	
33. Suo moto Registration Indicator	
34. Special Rates – Schedule – VI goods Indicator	
35. Tax Incentives Indicator	
36. Date of issue of Registration Certificate	
37. Effective date of Registration	
38. Date of refusal of Registration	
39. Taxpayer Identification Number (TIN):	

Processing Authority
Name
Designation

Registering Authority
Name
Designation

NOTES FOR COMPLETION OF THE VAT REGISTRATION
APPLICATION FORM DESCRIPTION

Please fill in the name of the tax office in whose jurisdiction your business premises located and applying for VAT Registration.

01. Name of business to be registered: insert name of the enterprise to be registered.

02. Address of Place of business: Fill in the details of the actual location of your enterprise like: house number, street, locality, town/city and where possible indicate the name of building if any and floor etc., Fill in your telephone and fax number, if any, in the space provided.

03. Occupancy Status of the business premises: Strike off which ever is not applicable

04. Name and address of Owner of Enterprises: In the case of a proprietary concern, details of the Proprietor in case of Partnership firm details of Managing Partner, in case of Public Limited Company/ Private Limited Company details of Managing Director should be filled in. In case of others, person who is authorised to do business be filled in.

05. Status of business: Tick category appropriate to your business. In case of other business like Hindu undivided family, Society club, Association, Trust, Local authority, Govt. departments etc., please specify the status

06. Nature of Principal Business Activities: Fill in the description of your main business activity. If it does not fit in the space provided on the form, or there are additional business activities, record these on a separate sheet.

Ex: Manufacturer, Exporter, Importer, Distributor, C & F Agent, Wholesaler/ Stockiest, Retailer, Agent, Govt./ Local authority Works Contractor, other Works Contractor, Hotels, Leasing and any combination of these activities. If any other specific activity is undertaken, please indicate the same.

07. Principal Commodities traded: Fill in the description of your Principal Commodities traded.

08. Business bank account details: Fill in the name of your bank, branch along with the relevant code and your account number. In case you have more bank accounts, including those located outside Andhra Pradesh, please mention the details of all bank accounts.

09. Income Tax Permanent Account Number (PAN): Indicate your permanent account number allotted by the Income Tax Department.

10. Address of Additional place of Business/Branches/Godowns (if any): Fill in the addresses of branches of the business if there are any. Additional places/branches/godowns including those located outside Andhra Pradesh must be declared on Form VAT 100A.

11. Particulars of Owners/Partners/Directors etc.: Fill in the names in full, function like Director, Partner, Agent etc., and address of the owners of the enterprise in the space provided on Form VAT 100B. Avoid abbreviations.

12. Language in which book is maintained: State the language in which the records are maintained.

13. Are your accounts computerized: Please state whether you have computerized accounts in your business. Tick Yes or No.

14. Date of first taxable sale: In case of new business fill in the date when you expect to make your first taxable date of sale including sales liable at the zero rates. If you are already in business, please indicate the first taxable sale liable to VAT.

15 (a). Turnover of taxable sales of goods in the last 3 months: Fill in, in rupees the total value of sales of goods liable to tax at all rates including the zero rate made in the last 3 months.

15 (b). Turnover of taxable sales of goods in the last 12 months: Fill in, in rupees the total value of sales of goods liable to tax at all rates including the zero rate made in the last 12 months.

16 (a). Anticipated turnover of taxable sales of goods in the next 3 months: Fill in, in rupees, the total value of taxable sales of goods at all rates including the zero rate that you expect to realize in the next 3 months.

16 (b). Anticipated turnover of taxable sales of goods in the next 12 months: Fill in, in rupees the total value of taxable sales of goods at all rates including the zero rate that you expect to realize in the next 12 months.

17. Anticipated turnover of exempt sales and transactions in the next 12 months: Fill in, in rupees, the value of exempt sales and transactions which are defined in the A.P.VAT Act 2005 that you expect to make in the next 12 months. (See VAT leaflet 01 “VAT Guide”).

18. Are you applying for voluntary registration: If your taxable turnover does not exceed the VAT registration limit of Rs.10 lakhs in the case of sales of goods in any consecutive 3 months period and you do not expect to exceed these limits in the next 3 months you may still apply for registration for VAT and this is voluntary registration. In this case cross Yes, otherwise cross No.

19. Are you applying for registration as Start up Business: Are you applying for registration more than 3 months before expecting to make taxable sales. (Tick Yes or No.)

20. Indicate your GRN: Indicate your General Registration Number, if any if you are applying VAT registration. **Have you applied for CST Registration?** Declare whether you have applied for registration under CST Act.

21. Registration Number under Profession Tax Act: Please enter the registration number allotted to you, if any, under A.P. Profession Tax Act.

22. Do you expect your input tax to regularly exceed your output tax: Do you expect the tax you are charged on your purchases to regularly exceed the tax you charge your customers? If Yes provide a reason i.e., whether exporter of goods.

23. Are you applying for registration in response to a notice by the Tax Officer ? Please write the notice number you have received, in case you are applying for VAT registration in response to the notice received from the tax department

24. Any other relevant information? If you are availing tax incentives like tax deferment or tax holiday, please provide the details like type of incentives, amount of incentives, period etc. If required use separate sheet of paper.

Declaration: Fill in the full name of the person and indicate the status of that person. Sign and date the application.

IMPORTANT:

a) *Copy of Proof of Identity of the sole proprietor/managing partner/managing director/responsible person for the business like copy of passport, voter Identity card, Proof of bank account, Credit Card, Ration Card, Driving license etc., must be enclosed.*

b) Please fill in and enclose Form VAT 100A and 100B if they found necessary.

25 to39 For office use only.

**DETAILS OF ADDITIONAL PLACES OF
BUSINESS /BRANCHES /GODOWNS
IN ANDHRA PRADESH**

FORM VAT 100A

Name of the business : _____

01 Address _____ _____ _____	
Pin Code	Telephone <input style="width: 100px;" type="text"/>
Signature _____	Date _____

02 Address _____ _____ _____	
Pin Code	Telephone <input style="width: 100px;" type="text"/>
Signature _____	Date _____

03 Address _____ _____ _____	
Pin Code	Telephone <input style="width: 100px;" type="text"/>
Signature _____	Date _____

Note:- Please see overleaf to fill in the details for Addresses of Branch/Godowns located outside Andhra Pradesh.

ADDRESSES OF BRANCHES/GODOWNS LOCATED OUTSIDE ANDHA PRADESH

01 State _____	
Address _____ _____	
Pin Code _____	Telephone <input type="text"/>
R.C. Number under State Act:	
R.C. Number under C.S.T. Act:	
Signature _____	Date _____

02 State _____	
Address _____ _____	
Pin Code _____	Telephone <input type="text"/>
R.C. Number under State Act:	
R.C. Number under C.S.T. Act:	
Signature _____	Date _____

03 State _____	
Address _____ _____	
Pin Code _____	Telephone <input type="text"/>
R.C. Number under State Act:	
R.C. Number under C.S.T. Act:	
Signature _____	Date _____

PARTICULARS OF PARTNERS /DIRECTORS/ PERSONS RESPONSIBLE
(AUTHORISED) FOR THE BUSINESS

FORM VAT 100B

Name of the Business :

- 1) Fill in the details for each Partner/Director/Responsible Person separately in the boxes provided for. Please use BLOCK LETTERS and write clearly.
- 2) Strike off Partners/Directors/Responsible Persons whichever is not applicable.

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1. Full Name	
2. Father's/Husband's Name	
3. Date of Birth	
4. Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies) / Status & function of Person Responsible (Authorised) for the business.	
5. Other business interests in the State (Please specify)	
6. Other business interests outside the State (Pl. specify)	
7. Present Residential Address: Telephone No: e-mail:	
8. Permanent Address: Telephone No	
9. Income Tax Permanent Account Number (PAN)	

Date:

Signature & Status

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1. Full Name	
2. Father's/Husband's Name	
3. Date of Birth	
4. Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies) / Status & function of Person Responsible (Authorised) for the business.	
5. Other business interests in the State (Please specify)	
6. Other business interests outside the State (Pl. specify)	
7. Present Residential Address: Telephone No: e-mail:	
8. Permanent Address: Telephone No	
9. Income Tax Permanent Account Number (PAN)	

Date:

Signature & Status

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 101

NOTIFICATION OF VAT REGISTRATION

01. Tax Office Address:

Date	Month	Year

02 Name : _____
Address : _____

Receipt of your application in Form VAT 100 for registration dated.....is acknowledged

I am to notify you that your VAT TIN No. is

TIN										
-----	--	--	--	--	--	--	--	--	--	--

You must use this number when you issue Tax invoices, on all documents related to VAT and in all correspondence with the Commercial Taxes Department.

Your application has been accepted. Please find enclosed your VAT Certificate of Registration.

You should know that your registration for VAT is effective from _____.

From that date you must charge VAT on all your taxable sales, and provide a VAT tax invoice to those of your customers who are registered as VAT dealers.

If you have been charged VAT on goods including capital goods and assets which are in stock on _____ you should apply to this office for a form so that you can claim a VAT credit in your first return.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____CIRCLE.**

- Encl: 1. Form VAT 105.
- 2. Leaflets 01,02 & 05.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 102

NOTICE OF REFUSAL OF VAT REGISTRATION

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02. Name : _____ Address: _____ _____ _____
--

Receipt of your application for VAT registration dated _____ is acknowledged.

Your application for VAT registration is refused because:

You are requested to file written objections along with documentary evidence if any within 10 days of date of this notice failing which rejection of your application will be confirmed without any further notice.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 103

NOTIFICATION OF REJECTION FOR VAT REGISTRATION

[See Rule 11 (2)]

Date Month Year

01. Tax Office Address:

--	--	--

02. Name : _____
Address: _____

You are advised by this office notice in Form VAT 102 dated _____ that your application for VAT Registration has been refused.

- a) Since you have not responded, I am unable to authorise your Registration.
- b) I have considered your request and I am unable to authorise your Registration under the provisions of AP VAT Act' 2005.

You have the right of appeal against this order within (30) days of date of receipt of this order.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

APPLICATION FOR VAT REGISTRATION
AS A START UP BUSINESS PRIOR
TO MAKING TAXABLE SALES

FORM VAT 104

[See Rule 9 (2)]

Complete in duplicate.
 Read notes on the reverse before completing the form.
 Use separate paper where space is not sufficient

01 Name of business to be registered	
02 Date on which business was created	
03 Status of business	
04 Planned business activities	
05 Provide projected date of commencement of trading	
06 Declare the amount of any VAT paid prior to this application	

<p>07 DECLARATION:</p> <p>I apply for VAT registration as a new business prior to making taxable sales. I understand that if I am registered for VAT, I must abide by all the duties and obligations of a VAT registered dealer, including the duty to keep proper books of accounts and file returns by the due dates. I accept that I can only remain VAT registered as a new business not making taxable sales for a period NOT EXCEEDING TWENTY FOUR MONTHS from the date of VAT registration.</p> <p>Name of person making this declaration: _____</p> <p>Status of the person in the business: _____</p> <p>Signature: _____ Date of declaration: _____</p>
--

FOR OFFICE USE	
Processing Authority Name and Signature	Registering Authority Name and Signature

HOW TO COMPLETE THIS APPLICATION

DESCRIPTION

- Box 1** Insert the name of the business to be registered.
- Box 2** Enter the date the business was instituted – i.e., Date of Articles of association, date of incorporation, date of creation of business etc.
- Box 3** Status of business – i.e., Proprietorship, Partnership, Registered Company etc.,
- Box 4** Planned business activities. Provide evidence of planned business activities.
- Box 5** Enter the date when business is planned to commence i.e., the date on which first taxable sales are expected.
- Box 6** Declare any VAT paid prior to this application . Where necessary provide details on a separate sheet.
- Box 7** Read the declaration carefully. Complete and sign it only if you understand your obligations.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 105

VALUE ADDED TAX REGISTRATION CERTIFICATE

[See Rule 10 (1)]

I hereby certify that _____

Whose place of business is situated at:

is registered with VAT Registration Number

TIN														
-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--

with effect from _____ day of _____ 200

Pursuant to and in accordance with the APVAT Act, 2005. The additional place of business/branch/godown is situated at:

Given under my hand at _____ on the _____ day of _____ 200 .

Your local Tax office is:

* You are also registered under CST Act and the above VAT TIN must be quoted on all your inter-state transactions.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

To

M/s. _____

NOTE: The above Tax Payer Identification Number (TIN) must appear on all:

- Your Tax Invoices / invoices
- Correspondence with the C.T.Department.
- Your Tax returns.

You must conspicuously display this Certificate in your business premises.

Separate Copy of Certificate for each additional place of * business/branch/godown is enclosed.

Please check the above details are correct.

(* Strike off if not applicable.)

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 106

**RESPONSE TO APPLICATION FOR VAT REGISTRATION
AS A START UP BUSINESS PRIOR TO MAKING TAXABLE SALES**

[See Rule 10(2)]

01. Tax Office Address:

Date Month Year

--	--	--

02. Name :

Address:

Receipt of your application for registration dated _____ is acknowledged

You have been registered as a Start Up Business and you must abide by the following conditions:

- You must keep proper books of accounts and records.
- File VAT returns by the due date even if they are nil returns.
- You can only remain registered as a Start Up Business for a maximum period of twenty four months.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

Encl: Form VAT 105

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 107

**NOTIFICATION OF ENDING OF START UP BUSINESS STATUS
ON MAKING TAXABLE SALES**

Date Month Year

--	--	--

01. Tax Office Address:

02.	TIN																		
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

I have to advise you that consequent upon the receipt of the VAT return for the period _____ on _____ and the taxable sales declared on that return, you are no longer registered as a start up business.

You have complied with the conditions of your start up business registration and are now registered under the normal VAT conditions.

YOU SHOULD CONTINUE TO MAINTAIN RECORDS, FILE RETURNS AND PAY VAT AS REQUIRED BY THE A.P.VAT ACT 2005.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 108

NOTICE OF CANCELLATION OF STARTUP BUSINESS STATUS

Date Month Year

--	--	--

01. Tax Office Address:

02. TIN																	
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

I have to notify you that since you were registered as a start up business on _____, but you have failed to make any taxable sales.

As TWENTY FOUR MONTHS have now elapsed since your registration as a start up business, I propose to recommend cancellation of your registration.

You are therefore request to file your objections if any within 10 days of date of this notice failing which your registration issued under AP VAT Act 2005 shall be cancelled without any further intimation to you in the matter.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 110

NOTICE OF LIABILITY FOR VAT REGISTRATION

Date Month Year

--	--	--

01. Tax Office Address:

02. Name : _____
Address: _____

Tax Office records indicate that you have a legal obligation to register for VAT. I am therefore, enclosing a Form VAT 100 (Application for VAT registration) together with VAT leaflets 01 and 02 which explain VAT registration requirements.

You must complete Form VAT 100 and return it to this Circle Tax Office within 10 days of the date of this notification. Failure to do so will result in your business being compulsorily registered for VAT.

If you consider that you have no obligation to register, you should respond to this office in writing specifying the reason you consider you are not required to register.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 111

SUO MOTO VAT REGISTRATION

(See Rule 11(1))

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02. Name : _____ Address: _____ _____ _____
--

You were advised on _____ that you had a legal obligation to register for VAT. Since you have neither replied to that letter nor applied for registration subsequently I am to notify you that you have been registered with effect from _____. You are required to account for VAT from that date.

Your Certificate of Registration is enclosed your VAT TIN No. is

TIN																			
-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

You should use this TIN when you issue VAT invoices, on all documents related to VAT and in all correspondence with the Commercial Taxes Department.

You have right to appeal against this order within 30 days of date of receipt of this order.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

APPLICATION NOTIFYING CHANGES IN VAT REGISTRATION DETAILS

[See Rule 13]

01. Tax Office Address:

02.	TIN																		
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2(a). Name :	
Address:	

	Present	Proposed	With effect from
03 Change in Name;			

	Present	Proposed	With effect from
04 Change in Address of Place Of Business;			

	Present	Proposed	With effect from
05 Change in address of Branches/ godowns:			

	Present	Proposed	With effect from
06 Change in Legal Status:			

(Use separate sheet to furnish the details of new persons & outgoing persons as applicable)

07 Applied for CST Registration	With effect from

*** Use additional sheets wherever space provided is not sufficient**

- 08 My business activities/Principal Commodities traded have changed in the following respect:
- a) Change in Business activities : _____
- b) Principal Commodities now traded are: _____
- 09 a) I commenced executing works contact for the State Government/local authorities from _____
- b) I stopped executing works contact for the State Government / local authorities from _____
- 10 My new Bank account details are herewith furnished
- Bank Name:- _____
- Branch Name & Code :- _____
- Account Number:- _____

11 Declaration:

I (Name) _____ Status (Title) _____
of the above business hereby declare that the information given in this form is true and correct.

	Date	Month	Year
Signature and Stamp _____ Date of declaration			

FOR OFFICE USE

- | | | | |
|---|--|--|--|
| 12 Date of Receipt of Form VAT 112 | | | |
| 13 Date of issue of VAT 110 (liability for new VAT registration)
(in case of proposal in box 6) | | | |
| 14 Date of issue of VAT 105 (VAT Registration Certificate)
(in case of proposals in boxes 3,4,5 & 7) | | | |
| 15 Date of recording in VAT registration and in the
VAT Dealer file. | | | |

**ASST. COMMERCIAL TAX OFFICER,
PROCESSING AUTHORITY,
_____ CIRCLE.**

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 113

RESPONSE TO NOTIFICATION OF CHANGE IN VAT REGISTRATION DETAILS

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02.	TIN																
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

Your notification of change in registration details dated _____ has been received.

I am to advise you as follows:

- * (1) Your change in address has been noted, you should submit your VAT Registration Certificate to this office so that an amended certificate can be prepared and issued.
- * (2) Your change in name/legal status has been noted. I enclose herewith a Form VAT 121 to cancel your current registration and a Form VAT 100 to apply for registration under your new name/legal status.
- * (3) I have received your notification of a change in composition of the partnership, director's etc., but have to advise you that cancellation of your registration is not appropriate. You must continue to charge tax on your sales, file returns and pay VAT to the Tax Department.
- * (4) Your change in business activities/ principal commodities traded has been recorded.
- * (5) Your change in commencement / stopping of works contracts for the State Government and local authorities has been recorded.
- * (6) Your change in bank account details has been recorded.
- * Strike off which is not applicable.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 114

NOTIFICATION OF AMENDED VAT REGISTRATION CERTIFICATE

Date	Month	Year

01. Tax Office Address: <hr/> <hr/> <hr/>
--

02. TIN																			
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____ Address: _____ <hr/> <hr/>

Your change of address/change of legal status has been recorded and I enclose herewith an amended VAT Registration Certificate.

You should note that you are now registered at the following Tax Office :

and all returns and correspondence will be dealt with by that office.

You must continue to charge VAT and file VAT returns and pay the tax continuously regardless of the change in your circumstances.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

Encl: Amended VAT RC

**APPLICATION TO CANCEL VAT
REGISTRATION**

[See Rule 14 (2)]

FORM VAT 121

Date Month Year

--	--	--

01. Tax Office Address:

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
 Address: _____

I apply to cancel my VAT registration with effect from 04 Date:

--	--	--

Reason(s) for the cancellation of registration: Delete (i) (ii) or (iii) if not applicable)

(i) My business closed on: 05 Date:

--	--	--

(ii) The value of my taxable turnover over the previous 3 calendar months was 06 Value:

--	--	--

And the value of my taxable turnover over the previous 12 calendar months was 07 Value:

--	--	--

(iii) I request to cancel my voluntary registration which was registered with effect from. 08 Date:

--	--	--

The value of my taxable turnover over the previous 3 calendar months was : 09 Value:

--	--	--

The value of my taxable turnover over the previous 12 calendar months was: 10 Value:

--	--	--

The reasons for the application under (i), (ii) or (iii) above are:

.....
 I undertake that I must account for VAT on any stock or assets on hand on which I have received refund of input tax, and file a final tax return and pay the VAT due prior to the cancellation of my registration.

11 DECLARATION					
I.....status.....of the above business hereby declare that the information given in this Form is true and correct.					
Signature & Stamp.....	Date of declaration	Date Month Year <table border="1" style="display: inline-table;"><tr><td style="width: 30px; height: 20px;"></td><td style="width: 30px; height: 20px;"></td><td style="width: 30px; height: 20px;"></td></tr></table>			

Please see Notes on the Reverse of this Form

OFFICE USE ONLY

Date of application received

12	
----	--

Checked arrears of VAT

Confirmation from Return Processing Section – Tax Arrears

Final Return issued

Final Return Received.....

For Verification YES/NO

Date of cancellation from

13	
----	--

Date of Form VAT 122 issued

14	
----	--

Date of Form VAT 123 (refusal of cancellation) issued

15	
----	--

Date of Form VAT 124 issued

16	
----	--

**ASST. COMMERCIAL TAX OFFICER,
PROCESSING AUTHORITY**
_____ **CIRCLE.**

**COMMERCIAL TAX OFFICER,
REGISTERING AUTHORITY**
_____ **CIRCLE.**

- Box 01 Indicate name of the Tax Office.
- Box 02 Insert the TIN number which you will find on your VAT Certificate of Registration.
- Box 03 Insert the name and address shown on your VAT Certificate of Registration.
- Box 04 Insert the date from which you are requesting cancellation of your registration.
- Box 05 Insert the date of the business ceased.
- Box 06 Insert the value of your taxable sales (excluding VAT) for the previous 3 consecutive calendar months.
- Box 07 Insert the value of your taxable sales (excluding VAT) for the previous 12 consecutive calendar months.
- Box 08 Insert the date from which you were voluntarily registered.
- Box 09 Insert the value of your taxable sales (excluding VAT) for the previous 3 consecutive calendar months if you were voluntarily registered.
- Box 10 Insert the value of your taxable sales (excluding VAT) for the previous 12 consecutive calendar months if you were voluntarily registered.
- Box 11 Insert the name and title of the person making the declaration. Finally sign and date of declaration.
- Box 12-16 ARE FOR COMPLETION BY THE TAX OFFICE.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 122

RESPONSE TO APPLICATION TO CANCEL VAT REGISTRATION

Date Month Year

--	--	--

01. Tax Office Address:

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

Receipt of your application for cancellation of registration dated _____ is acknowledged.

Your application has been accepted and your registration is proposed to be cancelled from _____, you must charge and account VAT up to that date. **After that date you must not charge VAT or issue any tax invoices.**

You must complete the enclosed VAT return, Form VAT 200C for the tax period _____, and on that return account for VAT on stock and assets on hand at _____ on which you have received credit for input tax. You must file this return and pay the tax not later than _____.

* It is noted that you have arrears of VAT unpaid of _____ Payment of this amount must be made with your final return.

You should return your VAT Certificate of Registration with the final return. On receipt and acceptance of this final return, tax payment and Certificate of Registration, you will be notified of the final cancellation of your registration.

COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.

* Strike off which is not applicable.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 123

REFUSAL OF APPLICATION TO CANCEL VAT REGISTRATION

[See Rule 14 (8)]

Date	Month	Year

01. Tax Office Address:

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

Your application to cancel your VAT registration is refused because:

You must continue to charge VAT on you sales, issue invoices when appropriate, maintain books and records, file VAT returns and pay the tax due for each tax period.

You have the right to appeal against this order within 30 days of date of this order.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 124

NOTIFICATION OF CANCELLATION OF VAT REGISTRATION

[See Rule 14 (6)]

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

1. * It is confirmed that your VAT registration has been cancelled with effect from _____
You are reminded that should your taxable turnover exceed the registration limits in the future, you must apply for registration.
2. * You are advised by this office notice in Form VAT 125 dated _____ proposing cancellation of your VAT registration indicating reasons therewith. Since you have not responded to the notice, I am confirming the cancellation of your VAT Registration, which is effective from _____.

You have the right to appeal against this order within 30 days of date of receipt of this order.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 125

NOTICE OF COMPULSORY CANCELLATION OF VAT REGISTRATION

[See Rule 14 (9)]

Date Month Year

--	--	--

01. Tax Office Address: _____

02	TIN													
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

I have to advise you that your VAT registration is proposed to be cancelled with effect from _____ because: (Strike off statements not applicable / Tick appropriate boxes)

- * You are not required nor entitled to apply for registration.
- * You have not declared taxable sales since VAT registration over a period of three continuous months.
- * You have no fixed place of abode or business.
- * You have failed to keep proper accounting records relating to your business activities.
- * You have not submitted correct and complete VAT returns.
- * You are required to file a final VAT return for the period ending _____ enclosed herewith and account for VAT on any stock or assets on hand on which you have received a refund of input tax.
- * It is noted that you have arrears of VAT unpaid of _____ payment of this amount must be made with your final return.

YOU ARE REMINDED THAT YOU MUST NOT CHARGE VAT

AND ISSUE TAX INVOICES AFTER _____ You are requested to file written objections if any along with documentary evidence within 10 days of date of this letter failing which your VAT registration will be cancelled without any further notice.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 150

PRELIMINARY NOTIFICATION OF VAT REGISTRATION

Date Month Year

--	--	--

01. Tax Office Address:

02.	TIN																		
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

It appears from tax office records that you are required to register for VAT from 1st April 2005. To effect this registration you are required to declare your turnover for the 12 months ending 31st December 2004 on Form VAT 150A enclosed herewith.

On receipt of this declaration you will be issued with your VAT Certificate of Registration (Form VAT 105) which you will require from 1st April 2005 to meet your obligations under the A.P. VAT Act 2005.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**DECLARATION OF TURNOVER
FOR YEAR 2004 (VAT DEALER)**

FORM VAT 150A

01. TIN																			
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

02. Name : _____ Address: _____ _____ _____
--

03. Tax Office Address: _____ _____ _____
--

I declare that my total turnover for the twelve months period ending 31st December 2004 was Rs. _____ (Rupees _____).

I, _____ S/o / W/o _____ being (title) _____ of the above enterprise do hereby declare that this information is true and correct.

Date of Declaration:

Date	Month	Year

Signature & Stamp

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 150B

NOTIFICATION OF VAT REGISTRATION

Date Month Year

--	--	--

01. Tax Office Address:

02. Name : _____
Address: _____

Your letter in Form VAT 150A was received in this office and it is confirmed that you are registered for VAT as per the provisions contained in AP VAT Act 2005 from 1st April 2005. Accordingly the TIN allotted to you is your VAT registration number to be used from 01-04-2005, which is as under.

TIN														
-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--

You should use this TIN when you issue VAT invoices, on all documents related to VAT and in all correspondence with the Commercial Taxes Department.

I am herewith enclosing the registration certificate under AP VAT Act 2005 in Form VAT 105.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

Encls: Form VAT 105

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 151

NOTICE OF REGISTRATION UNDER THE AP VAT ACT 2005

Date Month Year

--	--	--

01. Tax Office Address:

02. TIN																		
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

Tax office records indicate that you have a liability to register for T.O.T. under the above Act. I enclose herewith VAT leaflets 01,02,03,05 & 20. You should consult these leaflets to establish:

- whether you have an obligation to register for VAT.
- if you wish to register for VAT voluntarily or
- whether you accept registration for T.O.T.

You should reply to this office within FOURTEEN days, declaring your turnover for the year ending 31st December 2004 together with a declaration of your obligation for registration as set out above on, Form VAT 151A enclosed herewith.

On receipt of this declaration you will be notified with details of your registration under the above Act. If you require further information you should consult this office.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

DECLARATION
OF TURNOVER FOR YEAR 2004

FORM VAT 151A

01. Name : _____
Address: _____

02. Tax Office Address:

I declare that my total turnover for the twelve months period ending 31st December 2004 was Rs. _____, and that I am not required / required to * register for VAT / * TOT / *or wish to register voluntarily for VAT.

I, _____ S/o / D/o _____ being (title) _____ of the above enterprise do hereby declare that this information is true and correct.

Date of Declaration.

Date	Month	Year

Signature & Stamp

* Strike off which is not applicable.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 151B

NOTIFICATION OF TOT REGISTRATION

01. Tax Office Address:

Date Month Year

--	--	--

02. Name : _____
Address: _____

Your letter in Form VAT 151A was received in this office and you are registered for TOT as per the provisions contained in AP VAT Act 2005. Accordingly the General Registration Number allotted to you is new registration number to be used from 01-04-2005, which is as under.

GRN				
-----	--	--	--	--

I am herewith enclosing the TOT Registration Certificate under AP VAT Act 2005 in Form TOT 003.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

Encl: Form TOT 003

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 152

NOTICE FOR DELETION OF REGISTRATION / TIN FROM 01-04-2005

Date Month Year

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01. Tax Office Address: _____ _____ _____
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02. TIN																			
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03. Name : _____ Address: _____ _____ _____
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It appears from tax office records that the total turnover scored by you during the period from 01-01-2004 to 31-12-2004 was less than Rs.5 lakhs.

*2. As you may be aware that A.P. VAT Act is being enacted w.e.f. 01-04-2005 and as per the provisions contained therein, you are not required to register under A.P. VAT Act since your turnover relating to taxable goods appears to be below Rs.5 lakhs in the twelve months period ending 31-12-2004. Hence, your business will not be registered w.e.f. 01-04-2005 under the provisions of A.P. VAT Act.

* 3. Accordingly the

TIN																			
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 allotted to you is proposed to be cancelled. You are requested to reply to this notice within 14 days of this notice failing which the TIN allotted to you will be cancelled without any further intimation

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 152A

NOTIFICATION OF DELETION OF REGISTRATION / TIN FROM 01-04-2005

Date Month Year

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01. Tax Office Address:

02. TIN																			
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03. Name : _____
Address: _____

You are advised by this office in Form VAT 152 dated _____ proposing for *deletion of Registration / *TIN indicating reasons therewith. Since you have not responded to the notice within 14 days, I am confirming the deletion of Registration / TIN from 01-04-2005.

You have the right to appeal against this order within 30 days of date of receipt of this order.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.

16. PRINCIPLES OF TURNOVER TAX (TOT) REGISTRATION

- a) Registration is essential for the control of TOT dealers
- b) Registration provides the basis for monitoring:
 - Return filing
 - Tax payment
- c) Persons making taxable sales with a taxable turnover in 12 consecutive months or who have reason to believe that their taxable turnover in 12 consecutive months will be in excess of Rs. 5 lakhs, and below Rs. 40 lakhs, who are not required to register for VAT regardless of the taxable turnover, and who do not voluntarily register for VAT, are required to be registered for TOT.
- d) There is no voluntary registration for TOT and a dealer with a taxable turnover of below Rs. 5 lakhs in 12 consecutive months, if he requires registration, can only register voluntarily for VAT.

17. LAW ON TOT REGISTRATION

Section 17

- 7) Every dealer not registered or not liable for registration as VAT dealer and who sells any goods and has a taxable turnover exceeding Rs. 5 lakhs in a period of 12 consecutive months or has reason to believe that his taxable turnover in a period of 12 consecutive months will exceed Rs. 5 lakhs shall apply for registration as TOT dealer in the manner prescribed.
- 8) Subject to the provisions contained in sub-section 5, every dealer who held a registration certificate under the Andhra Pradesh General Sales Tax Act 1957 shall be deemed to be registered as TOT dealer under this Act provided the dealer has a taxable turnover exceeding Rs. 5 lakhs but below Rs.40 lakhs in the period of 12 months prior to the commencement of the act and had not discontinued his business or his registration certificate had not been cancelled before the date of commencement of this Act.
- 9) Where a registered dealer dies or transfers or otherwise disposes of his business in whole, the successor or the transferee, unless already in possession of registration shall be liable to be registered under this Act.
- 10) An application for registration shall be made to the authority prescribed, in such manner and in such time as may be prescribed.
- 11) If the authority to whom an application is made under sub-section 10 is satisfied that the application is bona fide and is in order and in conformity with the provisions of this Act and the Rules made there-under, he shall register the applicant and grant him a certificate of registration in the prescribed form.

Section 18

- 1) The authority prescribed shall issue a registration identification number known as:
 - b) General Registration Number (GRN) to a dealer registered as TOT dealer
- 2) Every VAT dealer or TOT dealer who is allotted a Taxpayer Identification Number (TIN) or General Registration Number (GRN) shall indicate such numbers on all returns, forms, tax invoices or any other documents used for the purposes of this Act.

Section 19

- 1) Any VAT dealer or TOT dealer registered under section 17 of this Act shall apply for cancellation or amendment of registration, in such circumstances as may be prescribed.
- 2) The authority prescribed may, for good and sufficient reasons cancel, modify or amend any certificate of registration issued by him;
Provided that no order shall be passed under this sub-section without giving the dealer a reasonable opportunity of being heard.

18. RULES ON TOT REGISTRATION

Rule 4. Procedure for registration

- (2) Every dealer not registered or not liable to be registered for VAT but liable to be registered under sub-section (7) of Section 17 of the Act, shall submit an application for TOT registration in form TOT 001 to the authority prescribed.
- (3) Every dealer registered under the Andhra Pradesh General Sales Tax Act, 1957 whose turnover exceeds rupees five lakhs for the period from 1-1-2004 to 31-12-2004, who is neither required to be registered for VAT nor opted to be registered for VAT shall be deemed to be registered under sub-section (8) of Section 17 of the Act.

Rule 5. Time to apply for registration

- 1 (c) i) Every dealer who is required to register under sub-section (7) of Section 17 of the Act shall make an application for registration 15 days prior to commencement of business, where his taxable turnover is estimated to exceed rupees five lakhs in the next twelve consecutive months.
- ii) In the case of a dealer who is required to register under sub-section (7) of Section 17 of the Act when his taxable turnover for the preceding 12 months exceeds Rs.5 lakhs, the dealer shall make an application by the 15th of the month subsequent to the month in which the taxable turnover exceeded rupees five lakhs.

ILLUSTRATION OF TIME TO APPLY FOR REGISTRATION IS GIVEN BELOW:

	Section in the Act	Rule	Type of registration	Time to apply	Example
7.	17(7)	5(1)(c)(i)	New business who has a reason to believe that his taxable turnover in a period of next twelve months will exceed Rs.5 lakhs and has no obligation for VAT registration	Apply for TOT registration 15 days prior to commencement of business.	- Expected date of commencement of business: 20.8.2005 - Time to apply for TOT registration is on or before 05.08.2005.
8.	17(7)	5(1)(c)(ii)	Existing business which is neither registered for VAT nor for TOT	When taxable turnover for the preceding 12 months exceeds Rs.5 lakhs, apply by 15 th of the month subsequent to the month in which the taxable turnover exceeded Rs.5 lakhs	-Taxable turnover for preceding 12 months exceeded Rs.5 lakhs on 31.7.2005 -Time to apply for TOT registration is 15.8.2005. -Review the taxable turnover for the preceding 12 months at the end of each month.
9.	17(8)	4(3)	Dealers registered under APGST Act 1957 and had taxable turnover exceeding Rs.5 lakhs but below Rs.40 lakhs for the year ending 31 st March 2005.	No need to apply for fresh TOT registration.	Deemed registration for TOT

Rule 6. Effective date of Registration

- (2) In the case of registration under sub-section 7 of Section 17 of the Act the general registration for turnover tax shall take effect:
- a) From the first day of the month during which business commenced in the case of those dealers starting a business and who do not register for VAT, and who have no liability to register for VAT but whose estimated taxable turnover is more than rupees five lakhs for the following twelve consecutive months.
 - b) In the case of dealers, whose taxable turnover exceeds rupees five lakhs in a period of twelve consecutive months, from the first day of the month subsequent to the month in which the obligation to apply for general registration arose.
- (3) In the case of deemed registration under sub-section 8 of Section 17 of the Act, the general registration shall take effect from the first day of April 2005.

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR APPLICATIONS RECEIVED IN TIME ARE GIVEN BELOW:

	Section in the Act	Rule	Type of registration	Time to apply	Example
7.	17(7)	6(2)(a)	New dealer commencing business and estimating his taxable turnover to exceed Rs.5 lakhs for the following 12 consecutive months and not having a liability for VAT registration.	From the first day of the month during which business commenced.	-Business commenced on 20.08.2005. -EDR is 01.08.2005
8.	17(7)	6(2)(b)	Existing business whose taxable turnover exceeds Rs.5 lakhs in a period of 12 consecutive months.	From the first day of the month subsequent to the month in which the obligation to apply for general registration arose.	-Taxable turnover of Rs.5 lakhs exceeded on 31.7.2005. -Liability to apply for TOT registration i.e. on or before 15.8.2005 -EDR is 01.09.2005.
9.	17(8)	6(3)	Deemed registration for TOT for existing registered dealers under APGST Act	From the date of commencement of the Act.	-EDR is 01.04.2005

Rule 7. Belated applications for Registration

- (1) In the case of belated applications for registrations submitted after the time limit prescribed in Rule 5 of these Rules registration shall take effect as below:
- Where the application or detection was made in the month it was due, the effective date of registration will be the first of the next month.
 - Where the application or detection was made in the subsequent month following the month it was due, the effective date of registration will be first of the month the application or detection was made.
 - Where the application or detection was made in the months subsequent to those defined in (a) and (b) of this sub-rule, the effective date of registration will be first of the month in which the application or detection was made.

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR BELATED APPLICATIONS ARE GIVEN BELOW:

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
1	17(10)	7(1)(a) 7(1)(b) 7(1)(c)	Belated application for registration for new dealers commencing business and liable for VAT or TOT registration and dealers liable for VAT registration irrespective of taxable turnover.	(i) Application /or detection in the month in which the taxable sale is made-EDR will be first day of the next month. (ii) Application or detection in the following month- EDR will be first day of the month. (iii) Application or detection in the subsequent months – EDR will be first day of the month of application or detection.	- Date of first taxable sale shown is 20.07.2005 - applied for VAT registration on 31.07.2005 -EDR is 01.08.2005 (ii) Date of taxable sale is 20.7.2005 -applied for VAT/ TOT registration on 16.08.2005 EDR is 01.08.2005 (iii) Date of first taxable sale is 20.7.2005 - applied for VAT/ TOT registration on 15.10..2005 - EDR is 01.10.2005
2	17(10)	7 (1) (a) 7 (1) (b) 7 (1) (c)	Belated application for registration for VAT or TOT by existing dealers exceeding registration threshold.	(i) Application or detection in the month in which the application was due -EDR will be first day of the subsequent month. (ii) Application or detection in the following month in which application was due– EDR will be first day of the month in which the application is received. (iii) Application or detection in the subsequent months -EDR will be first day of the month in which application was due or detection was made.	i) liability for VAT/TOT on 31.08.2005 - applied for VAT/TOT registration on 25.09.2005 - EDR is 01.10.2005 ii) liability for VAT/TOT on 31.08.2005 - applied for VAT/TOT registration on 10.10.2005 - EDR is 01.10.2005 iii) liability for VAT/TOT on 31.08.2005 - applied for VAT/TOT registration on 19.12.2005 - EDR is 01.12.2005

19. PROCEDURES FOR TOT REGISTRATION OF DEALERS PRIOR TO 1 APRIL 2005

1) Legal basis for advanced registration:

Order issued by Government of Andhra Pradesh dated

2) Publicity action to be taken:

Advertise TOT registration requirements in the press, radio, TV and seminars

3) Registration of dealers prior to 1 April 2005:

- i) Tax offices should prepare a listing of all registered dealers with a declared turnover exceeding Rs. 5 lakhs and not exceeding Rs. 40 lakhs for the year ending December 2004 and having no registration under the CST Act 1956. This should be set up as the basic TOT Pre-Registration Record (TOT PRR).
- ii) Dealers who have been allocated Taxpayer Identification Number (TIN) will have received Forms VAT 151 and 151A and where they have declared a liability for TOT registration they should be notified of their GRN number on Form TOT 004. Record in TOT PRR.
- iii) Dealers not allocated a TIN, currently registered under the APGST Act 1957 whose taxable turnover exceeds Rs.5 lakhs and does not exceed Rs.40 lakhs and who do not have an obligation to register for VAT, should be issued with Form TOT 002 together with VAT leaflets 01, 02, 03 and 20. Record in TOT PRR.
- iv) Dealers not registered under APGST Act 1957, prior to 1 January 2005 who register under that Act after, 1 February 2005, should be issued with Form TOT 001 and VAT leaflets 01, 02, 03 and 20. They should be required to complete TOT 001 within 21 days or make application for VAT registration. Record in TOT PRR.

4) Procedures to complete TOT registration prior to 1 April 2005.

- i) Dealers who have been dealt with under 3) ii) (dealers already having TINs but not liable for VAT registration) above should be issued with Forms TOT 003 and 004 and the relevant data transferred from the existing database to VASTIS. Record in TOT PRR.
- ii) Dealers who have been dealt with under 3) iii) above who have not opted for VAT registration should be issued with Forms TOT 003 and 004 and the relevant data transferred from the existing database to VASTIS. Record in TOT PRR.

Where the dealer has opted for VAT registration the registration should be dealt with under the provisions of chapters 5 and 6 of this manual.]

- iii) Dealers who have been dealt with under 3) iv) (existing APGST dealers liable for TOT registration) above who have not opted for VAT registration should be required to file Form TOT 001 and the form processed in accordance with chapter 21 of this manual. Record in TOT PRR.

20. PROCEDURES FOR TOT REGISTRATION SUBSEQUENT TO 1 APRIL 2005

- a) Dealers applying for TOT registration should be issued with Form TOT 001 and VAT leaflets 01, 02 and 03. Record in TOT PRR.
- b) Where the dealer completes Form TOT 001, the application should be made in duplicate.
- The processing officer should ensure the form is fully completed and resolve any queries with the dealer.
 - The date of receipt should be recorded in Box 16, the duplicate should be certified “received”, dated and signed by the officer and returned to the dealer as a receipt. Record in TOT PRR.
 - The original copy of Form TOT 001 should be processed in accordance with the instructions in chapter 21. The effective date of registration should be entered in Box 17 in Form TOT 001. Form TOT 001 should be certified by the registering authority (ACTO) for authorisation of the registration. Record in TOT PRR.
- c) Issue of TOT GRN notification:
- If the application is complete in all respects the RA should complete Box 18 on Form TOT 001. Form TOT 003 (TOT notification of general registration) should be prepared, signed and issued with Form TOT 004 to the dealer. Record in TOT PRR.
 - In the case that a TOT application is rejected, Box 19 of Form TOT 001 should be completed and Form TOT 017 issued. Record in TOT PRR.
- d) Where the dealer opts for VAT registration he should be issued with Form VAT 100 and advised the application should be completed within 14 days. The application should be processed under the provisions of chapters 5 & 6 of this manual. Record in TOT PRR.
- e) Dealers who fail to respond within 21 days to the TOT forms and leaflets issued should be sent a reminder on Form TOT 006. Record in TOT PRR.
- f) If there is no response after a further 10 days, the dealer should be issued with Forms TOT 003 and 005, confirming that Suo Moto registration for TOT has been effected. Record in TOT PRR.
- g) Belated applications for TOT registration
- i) The interpretation of the legal requirement to estimate whether a dealer’s taxable turnover will exceed Rs. 5 lakhs in the next 12 months should be as follows.
- Where a dealer fails to register a new business under the provision that he estimates the taxable turnover in the next 12 consecutive months will not exceed Rs. 5 lakhs, and if the taxable turnover exceeds Rs. 5 lakhs during the first year of trading, the registration should not be backdated to the commencement of business but only to the month following the month in which the taxable turnover exceeds Rs.5 lakhs.
- Belated notification action should only be taken if the dealer fails to apply for TOT registration by the 15th of the month following the month in which the taxable turnover exceeds Rs.5 lakhs.

- ii) registration should be effected as set out below:
- Where the application is made or the failure detected in the month the application is due, the EDR will be the first of the next month.
 - Where the application is made or the failure detected in the subsequent month following the month it was due, the EDR will be the first of the month the application was made or failure detected.
 - Where the application is made or the failure detected in the month subsequent to those defined above, the EDR will be the first of the month the application or detection was made.
 - The action to be taken regarding belated notifications for TOT registration is set out in the chapter headed “processing of TOT general registration application”.

21. PROCESSING OF TOT GENERAL REGISTRATION APPLICATIONS

1) Introduction

- a) TOT registration is also known as General Registration.
- b) Dealers should be advised to read VAT leaflets 01, 02 and 03 to establish whether voluntary registration of VAT would be to their advantage.

2) Preparation

- a) The preparation for TOT registration should start from 1 February 2005.
- b) Circle offices should prepare a list of all registered dealers in their circles including those registered after 1 February 2005 with:
 - a declared total turnover below Rs.40 lakhs up to December 2004 for the preceding 12 months and
 - having no registration under the CST Act.
- c) Prepare a separate list of those dealers whose turnover for that period is below Rs. 5 lakhs. Such dealers are not registerable for TOT.
- d) Dealers already listed who have been allocated a taxpayer Identification Number (TIN) should be separately identified. Such dealers should have already received Forms VAT 151 and 151A and should have declared a liability for TOT registration where appropriate.
- e) From the above information a list of dealers should be prepared who are liable to be registered for TOT. This list should provide the basis for TOT pre-registration record (TOT PRR).
- f) Action should have already been taken under the Commissioner's circular to remove those dealers with inactive CST registrations, who did not use C forms in the 12 month preceding November 2004, from the CST register. The objective should be to limit the size of the CST register to active CST dealers only, to minimise the size of the VAT register resulting from compulsory registrations.

3) Registration of TOT dealers prior to 1 April 2005

- a) Dealers identified from TOT PRR as having an obligation to be registered for TOT should be issued with Form TOT 002 together with VAT leaflets 01, 02, 03 and 20. Record in TOT PRR.
- b) Dealers who do not respond within 14 days or who accept TOT registration should be issued with Forms TOT 003 and 004 notifying the general registration number (GRN) of the dealer. Arrangements should be made to transfer the existing data to VASTIS. Record in TOT PRR.
- c) Dealers who respond indicating that they wish to register voluntarily for VAT should be registered for VAT in accordance with the procedures for VAT registration for dealers prior to 1 April 2005 in chapters 4 & 5 of this manual. Record in TOT PRR.
- d) Any dealer who responds claiming that he is not liable for TOT registration should be advised to provide details to support his claim. Such information should be checked against

tax office records and either, the registration confirmed or action taken to cancel the registration. Any further objection by the dealer should be dealt with under the appeals procedure. Record in TOT PRR.

- e) Dealers who apply for registration under the APGST Act 1957 from 1 January 2005 to 1 April 2005 should be issued with Form TOT 001 and VAT leaflets 01, 02, 03 and 20 after 1 February 2005. Completion of Form TOT 001 should be required within 21 days or alternatively the dealer may make the application for voluntary registration for VAT. TOT 001 applications should be processed in accordance with sub section 4) of this chapter. Record in TOT PRR.

4) Instructions for processing forms TOT 001

- a) The designated ACTO in the circle office should be the registering authority.
- b) Forms TOT 001 issued after 1 February 2005 should be issued in duplicate and completion required within 14 days. Record in TOT PRR.
- c) Completed applications should be processed by ensuring the forms are fully completed and any dealer queries resolved.
- d) The date of receipt of the application should be recorded in Box 16 of Form TOT 001. The duplicate copy should be certified "received", dated and returned to the dealer. Record in TOT PRR.
- e) Boxes 17 and 18 of Form TOT 001 should be certified by the registering authority and the GRN noted in Box 20. Forms TOT 003 and 004 certified and GRN issued. The originals issued to the dealer, the duplicates being filed in the dealer file. Record in TOT PRR.
- f) Where the Form TOT 001 is not received within 14 days, Form TOT 006 should be issued as a reminder. Record in TOT PRR.
- g) Where the dealer fails to respond to Form TOT 006 within 14 days, the dealer should be registered for GRN Suo Moto and Form TOT 005 issued. In the case of Suo Moto registration the information available in the tax office or from a visit to the dealer or other sources, should be recorded on Form TOT 001 in red and the information updated from the dealer at the first available opportunity. Record in TOT PRR.
- h) Where a dealer is liable to be registered for TOT, but has not applied, issue Forms TOT 001 and 002. Where there is no response to these Form within 14 days, the procedure in g) above should be followed.
- i) Where the dealer is not eligible for TOT registration, Form TOT 017 should be issued. Record in TOT PRR.

5) Effective date of TOT registration

- a) The first day of the month of commencement of business for new businesses not registered or not liable to be registered for VAT, where the dealer has reason to believe the taxable turnover will exceed Rs. 5 lakhs in the next 12 consecutive months.
- b) The first day of the month following the month in which the taxable turnover of an existing business exceeds Rs. 5 lakhs in the preceding 12 consecutive months.

6) Action to be taken for belated notification of TOT registration

- a) Where the application or detection is made as in the first 2 instances mentioned in chapter 20 g) ii) of these instructions, the dealer should be registered for TOT from the first of the month following the application or detection. No arrears of tax should be collected and no penalty imposed.
- b) Where the application or detection is made in the third instance of Chapter 20 g) ii), the EDR should be the first of the month in which the application or detection is made. Tax should be assessed from the date the dealer had an obligation to be registered for TOT to the established EDR. The assessment should be 1% of the taxable turnover for that period. A penalty of 25% of this amount should be imposed together with interest due for the delayed payment.
- c) **All cases where an assessment of tax is issued resulting from a belated application or detection should be reviewed by the CTO to ensure the correct procedures have been followed, the correct action taken and the accuracy of the assessment.**

22. TOT REGISTER RECORDS

a) General Registration Record

The following details should be recorded in the General Register for TOT:

- Name of the business to be registered
- Address of the place of business
- Name and address of the owner/responsible person
- Date of commencement of business
- Status of business, i.e., proprietor, partnership, company, etc
- Nature of principal business activities
- Principal commodities traded
- Bank account details
- Income tax PAN
- Declared taxable turnover of business
- Date on which the taxable turnover for twelve consecutive months exceeds Rs.5 lakhs
- Effective date of TOT General Registration.

b) The TOT Register should provide for:

- The recording of the receipt of quarterly TOT Returns
- The listing of Retu
- The record of payments received and underpayments of declared TOT
- The preparation of Forms TOT 009 (reminder of failure to pay tax declared.)

22 (a). PROCEDURES AND INSTRUCTIONS FOR PROCESSING CHANGES IN TOT REGISTRATION DETAILS

1) Changes in registration details required to be notified to the Registering Authority within 14 days :

- a) Cessation of business
- b) Changes in the status of the business
- c) Any change in the name, address of the place of business or address of branches
- d) Any change in business activities or the nature of taxable activities or principal commodities traded
- e) Any change in the constitution of the business
- f) Any change in bank account details

2) Action to be taken to implement the changes notified

Any TOT dealer notifying a change in registration details by whatever means should be required to complete Form TOT 051 (change in registration details).

On receipt of the completed Form TOT 051 the processing authority should take the following action :

a) Cessation of business.

- Action should be taken under the provisions of chapter 23 of this manual. Record in Registration Cancellation Record (RCR).

b) Change in the status of the business.

- Where a change in status of a business (proprietor to partnership, partnership to private limited company etc) is concerned, the following action should be taken
- Complex Box 10 of Form TOT 051 date of receipt. In the case of the change in the legal status of the TOT dealer that relates to the change from a proprietor to another business status, for example partnership to a limited company, take the following action. Complete Box 11 of Form TOT 051 and issue Forms TOT 052 (deleting appropriate paragraphs) and TOT 014 and complete Box 13 on Form TOT 051. Record in TOT PRR.
- On receipt of the completed Form TOT 014, re-register the TOT dealer under the new name or legal status ensuring that there is no break between the two registrations. Record in RCR. The original and new registrations should be cross-referenced and noted in the TOT register.

c) Changes in the name of the business, address of the place of business or address of branches

- Date of receipt of form TOT 051 enter in box 10.
- Amend the name of the business or the address of the business or the address of the branch in the TOT register records and the TOT dealer file-complete box 12.
- Amend and issue the certificate of registration (Form TOT 003)-complete box 13. Record in TOT register records.

- Where the proposed new place of business is in the jurisdiction of a different registering authority, the registration file along with the application shall be transferred to that authority.
 - In such a case the TOT dealer be issued new GRN by the tax office to which the TOT dealer is transferred.
- d) Any change in business activities or the nature of taxable activities or principal commodities traded**
- Date of receipt of Form TOT 051-enter in box 10.
 - Record the change in TOT register records-complete box 12.
- e) Any change in the constitution of the business**
- Where a change in the composition of a partnership or the directors of a company is concerned.
 - Date of receipt of Form TOT 051-enter in box 10.
 - Record the change in TOT register records-complete box 12.
- f) Any change in bank account details**
- Date of receipt of Form TOT 051-enter in box 10.
 - Record the change in TOT register records-complete box 12.

Failure to notify changes within the time and manner prescribed will attract a penalty of Rs.2000/-

23. PROCEDURES AND INSTRUCTIONS FOR THE CANCELLATION OF TOT REGISTRATIONS

1) Voluntary Cancellation

- a) Cancellation of a TOT General Registration should only take place:
- when a TOT dealer ceases to trade
 - when a TOT dealer voluntarily registers for VAT
 - when a TOT dealer exceeds the VAT registration threshold
 - when a dealer is compulsorily registered for VAT
 - when the Registering Authority effects cancellation

Note: A TOT dealer should not be de-registered on the grounds that their taxable annual turnover for 12 consecutive months is below Rs.5 lakhs.

- b) If a TOT dealer applies for cancellation of his TOT registration, he should be issued with application Form TOT 014 in duplicate. Record in the TOT cancellation record (TOTCR).
- c) Record the receipt of the completed Form TOT 014 in the TOTCR. Return the certified duplicate copy of the application to the TOT dealer.
- d) The form should be checked against the information in the TOT dealer records. Discrepancies should be resolved with the TOT dealer. Record in TOT CR.
- e) Should any tax arrears be identified, the original of Form TOT 012 should be issued to the TOT dealer and the duplicate filed. Record in TOT CR.
- f) If payment is not received after one month, the cancellation should proceed. If the arrears exceed Rs.10,000/-, the TOT dealer file should be transferred to enforcement section for recovery action.
- g) The date of cancellation should be recorded on Form TOT 014 and the computer record. Record in TOTCR.
- h) A TOT quarterly return Form, TOT 007, should be obtained for the period to the cancellation date. Record in TOTCR.
- i) The final return and payment should be obtained within one month. Record in TOTCR.
- j) The return and payment received should be processed in the normal manner. Record in TOTCR.
- k) The cancellation should then be authorized by the RA and finalized by the issue of Form TOT 015 to the TOT dealer. The registration should be removed from the TOT general register. The TOT dealer file should be filed in cancelled files section and retained for 6 years. Record on TOTCR

2) Compulsory Cancellation of TOT by the Registering Authority

- a) When the TOT dealer fails to file a TOT return and the unilateral assessment could not be served on the TOT dealer, the ACTO should visit the business premises to ascertain the position regarding closure of the business.

- b) The ACTO should prepare a report about the possibility or otherwise of locating the person concerned and should attempt to recover the tax outstanding where the amount does not exceed Rs.10,000/- and in all other cases the ACTO should refer the cases to enforcement section for collection action. Record in TOTCR.
- c) If the ACTO is satisfied that the TOT dealer has closed his business and not applied for the cancellation of registration, action should be taken to cancel the registration forthwith. Form TOT 013 should be issued where the dealer has been traced and in the absence of a response after 21 days, Form TOT 015 should be issued to cancel the registration. Record in TOTCR.
- d) Where the dealer cannot be traced, the registration should be cancelled Suo Moto, and an estimate made of any outstanding tax for recovery action. Record in TOT CR.
- e) All cancelled TOT registrations should be removed from the GRN. TOT dealer file should be retained in dead filing for 6 years.

Leaflet 03

The APVAT Act 2005 provides for registration of a dealer as TOT dealer if his taxable turnover is between Rs.5 lakhs and Rs.40 lakhs and such a dealer has no liability to register for VAT and if he does not register for VAT voluntarily (See VAT leaflet). Such dealers shall make transaction of sales or / purchases of taxable goods within the State of A.P. only.

01. WHAT IS TURNOVER TAX?

Turnover tax is a tax payable @ 1% on taxable turnover by dealers registered / liable to be registered for TOT.

02. WHAT IS TAXABLE TURNOVER?

Taxable turnover is the aggregate of sale prices of all taxable goods.

03. WHAT GOODS ARE EXEMPT FROM TAX ?

They are listed in Annexure– I of VAT leaflet 01.

04. WHAT IS A YEAR FOR TURNOVER TAX PURPOSES?

There is no concept of a financial year. Any period of 12 consecutive calendar months is a year for the purpose of TOT.

05. WHAT IS THE RATE OF TURNOVER TAX?

It is one percent (1%).

06. HOW DO I BECOME LIABLE TO PAY TURNOVER TAX ?

Any person who has a taxable turnover exceeding Rs.5 lakhs in any period of 12 consecutive calendar months or has reason to believe that his taxable turnover will exceed Rs.5 lakhs in a period of 12 consecutive calendar months must apply to his Tax Office for registration as a TOT dealer.

If after 1st April 2005 your taxable turnover exceeds Rs.5 lakhs, you must apply for registration as a TOT dealer by the 15th of the month following the end of the month in which your turnover exceeds Rs.5 lakhs.

For example:

If your taxable turnover exceeds Rs.5 lakhs in June 2005 you must apply for registration as a TOT dealer by the 15th of July and you will be registered as a TOT dealer from the 1st of August. You have no liability to pay any TOT on the sales made upto 31.7.2005. You will have to file a return for the months of August and September by the end of October 2005 and pay tax. Thereafter you will have to file quarterly return and pay the tax due.

07. WHEN DO I PAY TURNOVER TAX?

You must complete Form TOT 007 and make payments of turnover tax for each quarter ending June, September, December and March by the end of the following months that is July, October, January and April.

08. CAN I CHARGE TURNOVER TAX TO MY CUSTOMERS?

You can charge TOT to your customers or alternately you can include it in your sale price.

09. CAN I CLAIM A CREDIT FOR VAT WHICH I AM CHARGED BY MY SUPPLIERS?

No. Only VAT registered dealers can claim such a credit. You can register for VAT if you think this would be to your benefit. You would then cancel your General Registration for turnover tax and cease to pay that tax. You would then charge VAT to your customers and pay that tax to the Tax Office.

You should see VAT leaflet 02 ("*Registration Guide*") which will help you to decide if it is to your benefit to voluntarily register for VAT.

10. DOES A REGISTERED DEALER UNDER APGST NEED TO APPLY TO REGISTER AS TOT DEALER ?

No. You need not apply for registration as a TOT dealer if your taxable turnover in the period from 01-01-2004 to 31-12-2004 was above Rs.5 lakhs but did not exceed Rs.40 lakhs. You will be deemed to have been registered as TOT dealer and you will be issued with a new GRN, unless you apply to register for VAT voluntarily or have an obligation to register for VAT compulsorily.

11. WHAT SHOULD I DO TO OBTAIN FURTHER INFORMATION ?

You should contact your Tax Office.

**APPLICATION FOR GENERAL
REGISTRATION (TOT)
UNDER APVAT ACT 2005**

(See Rule 4(2))

FORM TOT 001

Submit in duplicate
Read notes before completing this form
Use separate sheets where space is not sufficient.

Affix Passport Size
Photo of
Sole Proprietor.
In case of Partnership
firm/Companies/others
Affix photos of persons
responsible on 001B

To
The Asst. Commercial Tax Officer,
_____ Circle.

01 Name of the dealer: APGST No. if any:																	
02 Address of Place of business:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Door No:</td> <td style="width: 33%;">Street</td> <td style="width: 33%;"></td> </tr> <tr> <td>Locality</td> <td>Town/City</td> <td></td> </tr> <tr> <td>District</td> <td>Pin Code</td> <td></td> </tr> <tr> <td>Phone No:</td> <td>Fax No:</td> <td></td> </tr> <tr> <td>Email :</td> <td>Website URL:</td> <td></td> </tr> </table>	Door No:	Street		Locality	Town/City		District	Pin Code		Phone No:	Fax No:		Email :	Website URL:		
Door No:	Street																
Locality	Town/City																
District	Pin Code																
Phone No:	Fax No:																
Email :	Website URL:																
03 Occupancy Status of the business premises: Owned/Rented/Leased/Rent-free/Others																	
04 Status of business: (Mark “ ✓ “ where applicable)																	
Sole Proprietorship	Partnership																
Public Limited Company	Govt. Enterprise																
	Private Limited Company																
	Others (Specify)																
05 Name & Residential address of the person responsible for business :	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Name :</td> <td style="width: 40%;"></td> </tr> <tr> <td>Father/Husband Name:</td> <td></td> </tr> <tr> <td>Date of Birth:</td> <td></td> </tr> <tr> <td>Door No.</td> <td>Street</td> </tr> <tr> <td>Locality</td> <td>Town/City</td> </tr> <tr> <td>District</td> <td>Pin Code</td> </tr> <tr> <td>Phone No</td> <td>Fax No.</td> </tr> <tr> <td>Email:</td> <td></td> </tr> </table>	Name :		Father/Husband Name:		Date of Birth:		Door No.	Street	Locality	Town/City	District	Pin Code	Phone No	Fax No.	Email:	
Name :																	
Father/Husband Name:																	
Date of Birth:																	
Door No.	Street																
Locality	Town/City																
District	Pin Code																
Phone No	Fax No.																
Email:																	
06 Nature of Principal business activities:																	
07 Principal Commodities traded:																	
08 Bank Account Details:																	
<u>Bank Name</u> :	<u>Branch & Code</u>																
1.	<u>Account No.</u>																
2.																	

09 Income Tax Permanent Account Number: (PAN)	
10 Addresses of additional places of business / Branches /Godowns in A.P. Use form 001A	
11 Particulars of Partners/Directors/ Responsible person of the business: Use Form 001B	
12 Date of commencement of Business	
13 Taxable Turnover of your business for the last 12 consecutive months :	
14 Estimated taxable turnover of your business for next 12 consecutive months :	
15 Date on which taxable turnover for 12 consecutive months exceeded Rs.5 lakhs	
16 Registration Number (if any under Profession Tax Act)	

Declaration:

<p>I _____ S/o. _____ Status _____ of the above enterprise hereby declare that the particulars given are true and correct to the best of my knowledge and belief. I undertake to notify immediately to the registering authority of any change in any of the above particulars.</p>	
Date of application.	Signature with Stamp

FOR OFFICE USE ONLY

17 Date of receipt of application:
18 Effective date of registration:
19 Date of certification by Registering Authority:
20 Date of refusal of registration by Registering Authority:
21 GENERAL REGISTRATION NUMBER:

NOTES FOR COMPLETION OF THE APPLICATION FORM
FOR GENERAL REGISTRATION (TOT)
DESCRIPTION

Please fill in the name of the tax office in whose jurisdiction your business premises is located and applying for TOT registration.

- 01 Name of the dealer:** Enter the name you wish to be registered under APVAT Act 2005. .
- 02 Address of Place of business:** Fill in the details of the actual location of your enterprise like: door number, street, locality, town/city and where possible indicate the name of building if any and floor etc., Fill all the details applicable in the space provided for.
- 03 Occupancy Status of the business premises:** Strike off which ever is not applicable.
- 04 Status of business:** Tick category appropriate to your business . In case of other, please specify
- 05 Name and residential address of the Person Responsible for business:** In the case of a proprietary concern, details of the Proprietor; Partnership firm, details of Managing Partner; Public Limited Company/Private Limited Company, details of Managing Director should be filled in. In case of others, person who is authorised to do business should be filled in.
- 06 Nature of Principal Business Activities:** Fill in the description of your main business activity. Ex: Manufacturer, Distributor, C & F Agent, Wholesaler/ Stockiest, Retailer, Agent, Works Contractor, Hotels, Leasing and any combination of these activities. If any other specific activity is undertaken, please indicate the same.
If it does not fit in the space provided on the form, or there are additional business activities, record these on a separate sheet.
- 07 Principal Commodities traded:** Fill in the description of your Principal Commodities traded. For example: If you are dealing in drugs & medicines as a medical stores and also incidentally sold cosmetics, you should indicate drugs & medicines as the principal commodity. Likewise, a Kirana / Departmental store, should indicate “Groceries” as your principal commodity.
- 08 Business bank account details:** Fill in the name of your bank, branch along with the relevant code and your account number. In case you have more bank accounts, you should mention all the details of accounts relevant to business.
- 09 Permanent Account Number:** Indicate your permanent account number allotted by the Income Tax Department.
- 10 Addresses of additional places of Business/Branches/Godowns (if any):** Fill in the addresses of branches of the business if there are any. Additional places/ branches/godown must be declared on Form TOT 001A.
- 11 Particulars of Partners/Directors/ Persons Responsible for the business:** Please use Form TOT 001B which is self explanatory.
- 12 Date of commencement of business :** In case of new business fill in the date when you expect to make your first taxable sale. If you are already in business, please indicate the date of first taxable sale you made.

- 13 Taxable turnover of your business for the last 12 consecutive months:** Please indicate your turnover of taxable goods scored in the last 12 consecutive months.
- 14 Estimated taxable turnover of your business for the next 12 consecutive months:** Being a new business, please indicate your expected turnover of taxable goods for the next 12 consecutive months.
- 15 Date on which taxable turnover for 12 consecutive months exceeded Rs.5 lakhs:** Since you are already in business please mention the date on which you have exceeded Ras.5 lakhs turnover of taxable goods in the last 12 consecutive months.
- 16 Registration Number under Profession Tax Act:** Please enter the registration number allotted to you, if any, under A.P. Profession Tax Act.

IMPORTANT:

- a) Copy of Proof of Identity of the sole proprietor/managing partner /managing director / responsible person for the business like copy of passport, voter Identity card, Proof of bank account, Credit Card, Ration Card, Driving license etc., must be enclosed.
- b) Please fill in and enclose Form TOT 001A and TOT 001B if they found necessary.

**ADDRESSES OF ADDITIONAL PLACES OF
BUSINESS /BRANCHES /GODOWNS
IN ANDHRA PRADESH**

FORM TOT 001A

Name of the Dealer :

- 1) Fill in the addresses of Additional Places of Business/Branches/Godowns in the spaces provided for.
- 2) Strike off Additional Places of Business/Branches/Godowns whichever is not applicable.

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

01 Address	_____		

	Pin Code No:	Telephone No:	
Signature	_____		Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

02 Address	_____		

	Pin Code No:	Telephone No:	
Signature	_____		Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

03 Address	_____		

	Pin Code No:	Telephone No:	
Signature	_____		Date _____

ADDRESSES OF ADDITIONAL PLACES OF BUSINESS/ BRANCHES/GODOWNS

04 Address	_____

Pin Code No:	Telephone No:
Signature _____	Date _____

ADDRESSES OF ADDITIONAL PLACES OF BUSINESS/ BRANCHES/GODOWNS

05 Address	_____

Pin Code No:	Telephone No:
Signature _____	Date _____

ADDRESSES OF ADDITIONAL PLACES OF BUSINESS/ BRANCHES/GODOWNS

06 Address	_____

Pin Code No:	Telephone No:
Signature _____	Date _____

**PARTICULARS OF PARTNERS/DIRECTORS/
PERSONS RESPONSIBLE (AUTHORISED)
FOR THE BUSINESS**

FORM TOT 001B

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

Name of the Dealer :

- 1) Fill in the details for each Partner/Director/Responsible Person separately in the boxes provided for. Please use BLOCK LETTERS and write clearly.
- 2) Strike off Partners/Directors/Responsible Persons whichever is not applicable.

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1.	Full Name	
2.	Father's/Husband's Name	
3.	Date of Birth	
4	Extent of interest in business(Partnership firm)/ Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5	Other business interests in the State (Please specify)	
6	Other business interests outside the State (please specify)	
7	Present Residential Address: Telephone No: e-mail:	
8	Permanent Address: Telephone No.	
9	Income Tax Permanent Account Number (PAN)	

Signature

Date:

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1.	Full Name	
2.	Father's/Husband's Name	
3	Date of Birth	
4	Extent of interest in business(Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5	Other business interests in the State (Please specify)	
6	Other business interests outside the State (Pl. specify)	
7	Present Residential Address: Telephone No: e-mail:	
8	Permanent Address: Telephone No.	
9	Income Tax Permanent Account Number (PAN)	

Signature

Date:

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 002

NOTICE FOR GENERAL REGISTRATION FOR TURNOVER TAX

01. Tax Office Address:

Date	Month	Year

02. Name : _____
Address: _____

It appears from tax office records that you are liable for Registration for Turnover Tax under the AP VAT Act 2005.

You have the option to register voluntarily for VAT instead of Turnover Tax if you consider this to be in your best interests. I am enclosing herewith Form TOT 001 and VAT Leaflets 01,02 and 03, which explain VAT and Turnover Tax and should assist you to decide whether to register for VAT instead of Turnover Tax.

If you decide to register for VAT you should notify this office and I will send you a VAT registration application form.

If you do not respond to this letter by filing completed Form TOT 001 within FOURTEEN DAYS of the date of the letter, you will be registered for Turnover Tax and I will issue you with a TOT Registration Certificate. You are also requested to file your written objections if any against the proposed registration.

If you require further advice or information you should contact this office.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

Encl: Leaflet 01,02,and 03

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 003

TOT REGISTRATION CERTIFICATE

[See Rule 10(3)]

This is to confirm that M/s _____

is registered for turnover tax under Sub-Section 7 of Section 17 of the Andhra Pradesh Value

Added Tax Act 2005 in the _____ Circle _____ Division

His General Registration Number is

GRN				
-----	--	--	--	--

His place of business is situated at: _____

His additional place of business is: _____

This certificate is valid from _____

Date of Issue _____

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 004

ADVICE OF GENERAL REGISTRATION FOR TURNOVER TAX

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02	GRN				
----	-----	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

I enclose herewith your TOT Registration Certificate.

I also enclose VAT Leaflet 03 which explains Turnover Tax. You should note that you are required to make quarterly returns and pay tax at the rate of 1% of your quarterly taxable turnover.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

- Encl: 1. TOT Registration Certificate.
- 2. VAT Leaflet 03.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 005

SUO MOTO REGISTRATION FOR TURNOVER TAX

[See Rule 11(1)]

Date Month Year

01. Tax Office Address:

--	--	--

02. Name : _____
Address: _____

Please refer to this office notice for General Registration issued in Form TOT 006 on _____. We have not received any reply from you against the proposal for General Registration.

This letter is to advise that you have been registered for Turnover Tax. Enclosed herewith is your TOT Registration Certificate and your General Registration Number is :

GRN				
-----	--	--	--	--

You should note that you are required to make quarterly returns and pay tax at the rate of 1% of your quarterly taxable turnover.

I also enclose VAT leaflet 03 which explains Turnover Tax and your obligations.

If you require further information or wish to register voluntarily for VAT you should contact this office.

You have right to appeal against this order within 30 days of date of receipt of this order.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

Encl: 1. TOT Registration Certificate.
2. Leaflet 03.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 006

REMINDER FOR TURNOVER TAX REGISTRATION

01. Tax Office Address:

Date	Month	Year
<input type="text"/>	<input type="text"/>	<input type="text"/>

02. Name : _____
Address: _____

It appears from the tax office records that you are liable for registration for Turnover Tax under the APVAT Act 2005.

You have been given notice for General Registration for Turnover Tax in Form TOT 002 along with Form TOT 001 (Application for TOT registration) on _____. You have not responded till today.

You are further reminded that you should send the completed Form TOT 001 within FOURTEEN DAYS of the date of the letter otherwise Suo Moto Registration will be given.

If you require further information you should contact this office.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

- Encl: 1. TOT Registration Certificate.
2. Leaflet 03.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 013

NOTICE OF COMPULSORY CANCELLATION OF TOT REGISTRATION

[See Rule 15(5)]

Date Month Year

--	--	--

01. Tax Office Address:

02	GRN				
----	-----	--	--	--	--

03. Name :	_____
Address:	_____

I have to advise you that it is proposed to cancel your TOT registration with effect from _____ because:

- * You have no fixed place of abode or business.
- * You are not, in the opinion of the CT Department, a fit and proper person to be registered for TOT.
- * Specify any other reasons _____
- * **You are required to file a final TOT return in form TOT 007 for the period ending _____ and pay the TOT due.**

You are requested to file your written objections, if any along with documentary evidence within 10 days of date of the notice failing which the proposal as stated above will be confirmed without any further notice in the matter.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.

**APPLICATION TO CANCEL
TOT REGISTRATION**

[See Rule 15 (1)]

FORM TOT 014

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02	GRN				
----	-----	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

I apply to cancel my TOT registration from

04	Date :
----	--------

Reason(s) for the cancellation of registration:

- (i) My business closed on:
- (ii) My taxable turnover for the last twelve consecutive months is less than Rs.3,75,000
- (iii) My taxable turnover for the last 12 consecutive months has crossed Rs.40,00,000/-
- (iv) My taxable turnover for the last three consecutive months has crossed Rs.10,00,000/-
- (v) I require CST registration for my business and intend to also apply for VAT registration
- (vi) Specify any other reason.

05	Date :
----	--------

06. DECLARATION

I (Name) _____ Being (Title) _____
of the above enterprise do hereby declare that the information given in this form is true and correct and I apply for the cancellation of my registration.

Signature & Stamp..... Date of declaration

Date	Month	Year

Please see notes on the reverse of this form

FOR OFFICE USE ONLY

Date of application received

07	
----	--

Checked arrears of TOT

Confirmation from Return Processing Section - Tax Arrears

Final Return Received..... YES/NO

Date of cancellation

08	
----	--

RECEIVING OFFICER	ASST. COMMERCIAL TAX OFFICER
-------------------	------------------------------

NOTES ON COMPLETION OF APPLICATION FOR CANCELLATION OF TOT REGISTRATION

- Box 01 Enter your Tax Office address.
- Box 02 Insert the GRN number on your Notification of Registration.
- Box 03 Insert the name and address shown on your TOT Registration Certificate.
- Box 04 Insert the date from which you are requesting cancellation of your registration.
- Box 05 Insert the date of the business ceased. If you have any other specific reasons for cancellation, please indicate the same.
- Box 06 Sign and date of declaration.
- Boxes 07&08 ARE FOR COMPLETION BY THE TAX OFFICE.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 015

NOTICE OF CANCELLATION OF TOT REGISTRATION

[See Rule 15(3)]

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02	GRN				
----	-----	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

It is confirmed that your TOT registration has been cancelled with effect from _____ You are reminded that should your taxable turnover exceed the registration threshold limits in the future, you must apply for registration.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 016

REFUSAL OF APPLICATION TO CANCEL TOT REGISTRATION

[See Rule 15(4)]

Date Month Year

--	--	--

01. Tax Office Address:

02	GRN				
----	-----	--	--	--	--

03. Name : _____
Address: _____

Your application vide Form TOT 014 to cancel your TOT registration is refused because:

You must continue to charge TOT on your sales, issue invoices when appropriate, maintain books and records, file TOT returns and pay the tax due for every calendar quarter.

You have the right to appeal against this order within 30 days of date of receipt of this order.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 017

REFUSAL OF REGISTRATION FOR TURNOVER TAX

[See Rule 11(2)]

Date Month Year

01. Tax Office Address:

--	--	--

02	GRN				
----	-----	--	--	--	--

03. Name : _____
Address: _____

I acknowledge your application for Registration for Turnover Tax under APVAT Act' 2005.

On scrutiny of your application, it is noticed that you are not entitled for General Registration for the following reasons _____

Accordingly, I refuse to register you under APVAT Act' 2005.

You have the right to appeal against this order within 30 days of date of receipt of this order.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 018

NOTIFICATION OF COMPULSORY CANCELLATION OF TOT REGISTRATION

Date Month Year

--	--	--

01. Tax Office Address: _____ _____ _____
--

02	GRN				
----	-----	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

You have been advised in Form TOT 013 dated _____ proposing to cancel your TOT registration for the reasons stated therein:

- 1) * You have not responded within the time given to you.
- 2) * On consideration of reply filed by you in response to Form TOT 013

I hereby confirm the cancellation of your TOT registration for the reasons given below:

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.

**APPLICATION NOTIFYING CHANGE
IN TOT REGISTRATION DETAILS**

FORM TOT 051

[See Rule 13]

Date	Month	Year

01. Tax Office Address:

02	GRN				
----	-----	--	--	--	--

2(a). Name : _____

Address: _____

	Present	Proposed	With effect from
03 Change in Name;			

	Present	Proposed	With effect from
04 Change in Address of Place Of Business;			

	Present	Proposed	With effect from
05 Change in address of Branches/ godowns:			

	Present	Proposed	With effect from
06 Change in Legal Status:			

(Use separate sheet to furnish the details of new persons & outgoing persons as applicable)

*** Use additional sheets wherever space provided is not sufficient**

07 My business activities/Principal Commodities traded have changed in the following respect:

- a) Change in Business activities : _____
- b) Principal Commodities now traded are: _____

08 My new Bank account details are herewith furnished

Bank Name:- _____

Branch Name & Code :- _____

Account Number:- _____

<p>09 Declaration:</p> <p>I (Name) _____ Status (Title) _____ of the above business hereby declare that the information given in this form is true and correct.</p> <table border="1" style="margin-left: auto;"><tr><td style="text-align: center;">Date</td><td style="text-align: center;">Month</td><td style="text-align: center;">Year</td></tr><tr><td style="width: 40px; height: 25px;"></td><td style="width: 40px; height: 25px;"></td><td style="width: 40px; height: 25px;"></td></tr></table> <p>Signature and Stamp _____ Date of declaration _____</p>	Date	Month	Year			
Date	Month	Year				

FOR OFFICE USE

- 10 Date of Receipt of Form TOT 051

--	--	--
- 11 Date of issue of Form TOT 001 (liability for new TOT registration)
(in case of proposal in box 6)

--	--	--
- 12 Date of issue of Form TOT 003 (TOT Registration Certificate)
(in case of proposals in boxes 3,4,& 5)

--	--	--
- 13 Date of recording in TOT registration and in the TOT Dealer file.

--	--	--

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 052

RESPONSE TO NOTIFICATION OF CHANGES IN TOT REGISTRATION DETAILS

01. Tax Office Address: <hr/> <hr/> <hr/>	Date Month Year <table border="1" style="margin-left: auto; margin-right: auto;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table>							
03. Name : _____ Address: _____ <hr/> <hr/>	<table style="width: 100%; border-collapse: collapse;"><tr><td style="width: 10%; border: 1px solid black; padding: 2px;">02</td><td style="width: 10%; border: 1px solid black; padding: 2px;">GRN</td><td style="width: 10%; border: 1px solid black; padding: 2px;"></td><td style="width: 10%; border: 1px solid black; padding: 2px;"></td><td style="width: 10%; border: 1px solid black; padding: 2px;"></td><td style="width: 10%; border: 1px solid black; padding: 2px;"></td><td style="width: 10%; border: 1px solid black; padding: 2px;"></td></tr></table>	02	GRN					
02	GRN							

Your notification of changes in registration details in Form TOT 051 dated _____ has been received.

I am to advise you as follows:

- * (1) Your change in address has been noted, you should submit your TOT Registration Certificate to this office for necessary action.
- * (2) Your change in name/legal status has been noted. I enclose herewith a Form TOT 014 to cancel your current registration and Form TOT 001 to apply for registration under your new name / legal status.
- * (3) I enclose herewith a Form TOT 014 to apply for cancelling your TOT Registration.
- * (4) I have received your notification of a change in composition of the partnership, director's etc., but have to advise you that cancellation of your registration is not appropriate. You must continue to file Quarterly returns and pay TOT to the Tax Department.
- * (5) Your change in business activities / principal commodities traded has been recorded.
- * (6) Your change in bank account details has been recorded.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 053

NOTIFICATION OF AMENDED TOT REGISTRATION CERTIFICATE

Date Month Year

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01. Tax Office Address: _____ _____ _____
--

02	GRN				
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03. Name : _____ Address: _____ _____ _____
--

Your change of address / change of legal status has been recorded and I enclose herewith an amended TOT Registration Certificate

You must continue to file TOT Quarterly returns and pay the due taxes.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

24. LAW FOR RELIEF OF SALES TAX

Section 13 (2) (a)

A dealer registered as a VAT dealer on the date of commencement of the Act, shall be entitled to claim credit for the sales tax paid under APGST Act 1957 on the stocks held on the date of commencement of the Act subject to the conditions and in the manner as may be prescribed.

25. RULES FOR SALES TAX RELIEF

Credit for tax paid on stock on hand at the commencement of VAT

Rule 37. Conditions for the Relief of Sales Tax at the Commencement of VAT.

- (1) On the first day of the commencement of the Act, if a VAT dealer has in stock any goods on which sales tax has been paid that VAT dealer shall be entitled to claim a credit of sales tax excluding turnover tax paid under APGST Act, 1957 for such goods which were purchased not earlier than twelve months prior to the commencement of the Act.
- (2) The conditions for claiming sales tax credit shall be:
 - (a) The dealer claiming credit must be registered for VAT on the date of commencement of the Act.
 - (b) The claim for credit must be on Form VAT 115.
 - (c) Where the goods in stock are listed in Schedule I or VI to the Act, no Sales Tax credit shall be allowed.
 - (d) The Sales Tax credit approved shall be subject to the conditions in rule 20 at the time of claim in the return.
 - (e) A VAT dealer claiming credit shall make an inventory of all goods on hand on the date of commencement of the Act on which a sales tax credit is claimed within a period of 7 days.
 - (f)
 - (i) Where documentary evidence of sales tax charged is available, the value on which the sales tax was calculated shall be used as the basis for claiming the credit. In case of goods specified in the Schedule VI of the APGST Act, 1957, the tax paid on the value of the goods shall be arrived by applying the tax fraction, even though tax was not shown separately.
 - (ii) In the absence of the evidence specified at (i) the amount that can be claimed as credit shall be based on 90% of purchase value. The tax component that can be claimed as a credit shall be calculated by the use of the tax fraction applied to this value.
 - (iii) Where any tax is paid on any goods at the point of purchase by the dealer himself, such tax actually paid shall be fully eligible for claiming sales tax credit.
 - (g) Where the goods in stock are listed in sub rule (2) of Rule 20, no sales tax credit shall be allowed except as provided for under the provisions of that rule.
 - (h) A claim for credit of sales tax must be submitted to the authority prescribed within ten days from the date of commencement of the Act. In exceptional circumstances a claim preferred after the due date prescribed but not later than 30 days from the date of commencement of the Act shall be considered by the Deputy Commissioner of the area in whose jurisdiction the VAT dealer is registered. A decision on such claim must be issued not later than 45 days from the date of commencement of the Act.
 - (i) The VAT dealer shall keep all documents relating to the claim for credit for a period of 4 years from the from the date of commencement of the Act and shall provide such documents to the authority prescribed for auditing if required.

- (3) When a claim under this Rule is approved on Form VAT 116 by the authority prescribed the amount certified as eligible for credit shall be claimed as a credit in six equal sums. These shall be claimed monthly commencing on the return for August 2005 and ending on the return for January 2006.
- (4) Where a VAT dealer made a false claim, the amount certified as a credit shall be rejected in whole or in part by the authority prescribed and any tax credit previously allowed under sub-rule (3) of this rule shall be recovered by assessing the dealer under the provisions of sub rule (9) of Rule 25.

26. PROCEDURES FOR SALES TAX RELIEF

1) Action be taken prior to 1 April 2005

- a) Explain the scope of the relief provided and the conditions for claiming the relief during the dealer awareness campaign and by way of newspapers, TV and radio announcements.
- b) Issue VAT leaflet 20 (How to claim credit for sales tax at the commencement of VAT) during the registration for VAT of dealers already registered under the APGST Act 1957.
- c) Issue VAT leaflet 20 together with Form VAT 100 to dealers registering under the APGST Act 1957 after 1 January 2005.
- d) Issue claim form VAT 115 to all VAT registered dealers from 1 March 2005. Make claim form VAT 115 available in tax offices and service centres and issue press announcement regarding relief available.

2) Action to be taken from 1 April 2005

- a) Record date of receipt of completed Form VAT 115 in a sales tax relief record (STRR).
- b) Check claims and select suspect claims for urgent verification and inventory checks.
- c) Notify the dealer on Form VAT 116 of the sales tax credit authorised. Where the claim is reduced or rejected issue notice in Form VAT 117, record in STRR.
- d) Where the dealer objects against the Form VAT 117 notification, the objection is to be considered and final notification of the credit due notified on Form VAT 126, record in STRR.
- e) Claims on Form VAT 115 received after 10 April 2005 but before the end of April 2005 should be referred to the DC to establish whether the claim is acceptable. Where the DC allows the claim, the normal processing procedures should be followed. Where the claim is rejected the VAT dealer should be issued notice on Form VAT 117. Record on STRR.
- f) Where the VAT dealer objects against the rejection, the objection should be considered and in the case of acceptance the normal processing followed. In the case of rejection, Form VAT 126 should be issued, record in STRR. Any further appeal should be considered under the appeals procedures.
- g) Where a claim is filed after 30 April 2005, the claim should be rejected as out of time, Form VAT 117 issued, any objection considered and Form VAT 127 notifying rejection issued. Record in STRR. Any further appeal should be considered under the appeals procedures.
- h) The DC's final decision should be notified to the dealer on Form VAT 127, record in STRR.
- i) All data related to sales tax relief claims should be filed in a separate record in the VASTIS database and recorded on each dealer account record and on the dealer database to be used for VAT audit.

27. INSTRUCTIONS FOR PROCESSING SALES TAX RELIEF CLAIMS

1) Initial action on receipt of Form VAT 115 sales tax relief claims

- a) Claims should be filed in duplicate. Any omissions or discrepancies should be resolved with the dealer before the claim is accepted.
- b) The date of receipt of the claim should be recorded in STRR, the duplicate copy certified as received, signed and dated by the receiving officer and returned to the VAT dealer. Box 9 on Form VAT 115 should be completed. The receiving officer should certify Form VAT 115. Record on STRR.

2) Checking Form VAT 115

- b) The claim received at the tax office should be checked to:
 - Confirm the stocktaking was completed by 7 April 2005.
 - Establish purchase date of stock was after 31 March 2004.
 - Ensure details of the documentary evidence (not the documents) have been declared for all items on the claim.
 - Check that details of the value, rate of tax and amount claimed have been completed.
 - Check the correct tax fraction has been used.
 - Check credit has not been claimed for goods in the negative list unless the dealer is in the business of selling such goods
 - Check credit has not been claimed for the goods in stock listed in Schedule I or VI
 - Ensure that no claims for credit of CST or TOT have been included.
 - Ensure that all boxes on Form VAT 115 have been completed.
- c) All discrepancies should be resolved, where possible, by contact with the VAT dealer. Details of unresolved queries, unusual features or claims which appear to be excessive, based on the information held on the VAT dealer, or suspicious, should be recorded on a memo attached to the claim and passed to the CTO for consideration. The CTO should pass selected claims to the audit section for a verification visit or certify the claim “accepted without verification”. Record in STRR.
- d) Belated claims on Form VAT 115 received after 10 April 2005 should be referred to the DC with an explanation of the reasons for delay. The DC should issue a decision on such claims not later than 10 May 2005. Where the DC accepts the claim, Form VAT 115 should be passed for processing. Where the DC rejects the claim, Form VAT 117 should be issued. After consideration of any response from the VAT dealer, the DC should either accept the claim or issue Form VAT 127 confirming the rejection. Record in STRR.

The tax office should ensure that Forms VAT 117 and 127 relating to these claims are issued not later than 15 May 2005.

Forms VAT 115 received after 30 April 2005 should be rejected and Form VAT 126 issued. Record in STRR.

3) Processing Form VAT 115 claims

- a) Confirm the TIN entered is correct for the VAT dealer.
- b) Check the stocktaking was declared as completed by 7 April 2005.
 - If the stocktaking is declared as after 7 April 2005, reject the claim and issue Form VAT 117. Record on STRR.
 - Consider any appeal and if accepted process the claim. If rejected issue Form VAT 126. Record on STRR.
- c) Check the date of purchase is after 31 March 2004:
 - If the date of purchase is before 31 March 2004 the item should be disallowed and the claim adjusted by issue of Form VAT 117. Record on STRR.
- d) Ensure invoice details are provided for each item on the claim(except in cases where tax has been paid on purchases)
 - If no invoice details are provided, the item should be disallowed and the claim adjusted by issue of Form VAT 117. Record on STRR.
- e) Check the rate of tax for the goods in the APGST Act 1957 against the description of the goods.
 - Where an incorrect rate has been claimed, the claim should be adjusted by the issue of Form VAT 117. Record in STRR.
- f) Check that the goods listed in Schedule I & VI of the Act, are not included in the claim.
- g) Check the calculation of tax credit claimed by using the eligible tax rate applied to the value declared.
 - Where an incorrect rate has been claimed, the claim should be adjusted by the issue of Form VAT 117. Record in STRR.
- h) In cases where the value of the goods declared on Form VAT 115 is used as a basis for calculation of the sales tax credit without a reduction to 90% of that value, it should be assumed that the value is exclusive of sales tax for calculation purposes. The exception is in sub-paragraph h) below and the description of the goods should be checked to ensure they do not fall within Schedule VI of the APGST Act 1957.
- i) Where a tax inclusive value of the goods has been entered on Form VAT 115 and no reduction in the value to 90% of the inclusive value has been made, the officer should check that the goods are in Schedule VI of the APGST Act 1957. If the goods meet that criteria, the tax rates under the APGST Act 1957 should be identified and the tax fraction related to that rate applied to the tax inclusive value. If the goods do not meet the criteria, the tax inclusive value should be reduced to 90% and again, the lower tax rate applied by means of the use of the tax fraction.
- j) Where the dealer is claiming sales tax credit and the goods have been subjected to tax on purchases, the value of the goods should be declared exclusive of tax. The rate in the APGST Act 1957 should be applied directly to the value to calculate the sales tax credit due. This is the identical procedure as if the dealer possessed a normal sales tax invoice.

- k) Where Form VAT 117 has been issued reducing the claim, after consideration of any response from the VAT dealer, the amount of credit approved should be notified to the VAT dealer on Form VAT 116.

4) Selection of Form VAT 115 claims for verification visits

- a) All claims should be reviewed and a verification visit considered based on the following criteria:
- Claims with a significant unresolved query raised during checking or processing.
 - Claims where a belated stocktaking has been allowed.
 - Claims received after 10 April 2005 that have been allowed by the DC.
 - Any further selection for verification should be based on the largest claims received in the office.
- b) Verification visits should be completed by 15 May 2005, where this is not possible, box 12 on Form VAT 115 should be noted “not visited” and the claim flagged for attention on the first audit visit.

5) Conduct of verification visit

- a) The objective of the verification visit should be to confirm the accuracy of the inventory declaration, the availability of the documentary evidence declared and to establish the overall reliability of the claim. A full audit should not be attempted but deferred to the first audit visit.
- b) All verification visits should include the following:
- Physical identification of capital goods on which sales tax credit is being claimed.
 - Miscellaneous checks to test the accuracy of the inventory declaration. Where the stock declared cannot be identified, the checks should be extended until a reasonably accurate record is established. The value of stocks on hand that cannot be identified should be deleted from the claim unless the VAT dealer can produce evidence of the sale of the goods since 1 April 2005 with either VAT charged or evidence of zero rate sale, exempt sale or transaction (the disposal of goods by way of exempt sale or transaction should not reduce the VAT dealers claim to sales tax credit since when the exempt sale or transaction is recorded in Box 12 of the Form VAT 200, the claim for credit should be reduced by the VAT dealer.)
 - All documentary evidence should be verified in the case of claims for credit for capital goods and a selective verification of documentary evidence for other goods carried out.
- At the conclusion of the verification visit, boxes 10-13 of Form VAT 115 should be completed, record in STRR.
- c) Verification visits must be restricted due to the timescale and available staff resources, the objective should be to limit credit claims to realistic levels. An in depth audit should be completed on the first audit visit. Since the Rule provides that the VAT dealer must retain

records related to these sales tax credit claims for a period of 4 years from the date of commencement of the Act, recovery of over-claims of sales tax credit in the course of audit must be completed within this period.

6) Final action

- a) A record of the verification visit should be made on Form VAT 302, details of the essential facts should be recorded together with the final calculation of the credit due. Complete box 13 of Form VAT 115. The next highest authority should authorise the credit approved, record in STRR.
- b) In the case of claims that have not received a verification visit, the amount of claim authorised should be based on the checks imposed and the results of the processing. Box 13 on Form VAT 115 should be completed, the next highest authority should authorise the credit approved, record in STRR.
- c) Form VAT 116 should define the total amount of VAT credit authorised and specify that 1/6th of the total amount can be claimed in box 8(b) of Form VAT 200 on each return for the periods from August 2005 to January 2006.
- d) The separate record required in the VAT registration records of claims received, amount claimed and amount of credit authorised should be transferred from STRR to that record.
- e) Special attention should be paid for the accuracy of sales tax credit claims at the time of the first audit visit.
- f) The DC should review the STRR and select a number of claims for checking not later than 31 May 2005.

28. LAW FOR VAT RELIEF AT THE TIME OF REGISTRATION

Section 13 (2) (b)

Subject to the conditions, if any, prescribed input tax credit shall be allowed to a VAT dealer on registering as VAT dealer, if any input tax is paid or payable in respect of all purchases of taxable goods, where such goods are for use in the business as VAT dealer, provided the goods are in stock on the effective date of registration and such purchase occurred not more than three months prior to registration.

29. RULE FOR VAT RELIEF AT THE TIME OF REGISTRATION

Rule 20. Input tax credit.

- (1) After the commencement of the Act, where any dealer gets registered as a VAT dealer or where the authority prescribed registers any dealer as a VAT dealer under Rule 11(1), such dealer shall be eligible for input tax credit as provided under sub-section (2) of Section 13 of the Act. The claim shall be made on Form VAT 118 within 10 days from the date of receipt of VAT registration. In case of delayed submission of Form VAT 118, the prescribed authority may consider to issue Form VAT 119 or reject the claim by giving in opportunity of being hard to the dealer. The goods on which the input tax credit is claimed or allowed shall be available in stock on the effective date of VAT registration. The documentary evidence for such claim shall be on the basis of an invoice issued by a VAT dealer for the purchases made and the input tax credit allowed on Form VAT 119 shall be claimed on the first return to be submitted by such dealers. such Form VAT 119 shall be issued by the prescribed authority within 10 days of receipt of Form VAT 119.

30. CLAIM FOR VAT CREDIT FOR GOODS ON HAND AT THE TIME OF VAT REGISTRATION

1) Procedure for processing VAT credit claims

- a) When a dealer applies for VAT registration, he should be issued with Form VAT 100 and Form VAT 118 together with VAT leaflets 01, 02 and 05. Record in VAT PRR.
- b) Form VAT 100 application should be completed and filed within 14 days and the form processed in accordance with Chapter 31 of this manual. Record in VAT PRR.
- c) Where the completed form is not received, VAT PRR should be noted.
- d) When Forms VAT 101 and 105 are issued the VAT dealer should be advised that he has 10 days in which to make a claim on Form VAT 118 for a VAT credit for goods in stock on the effective date of registration. He should be advised to comply with the conditions set out in VAT leaflet 002 and it should be emphasised that he must be in possession of any invoice issued by a VAT dealer to be entitled to claim credit for VAT.
- e) On receipt of the completed Form VAT 118 the application should be processed in accordance with chapter 31 of this manual, record in VAT PRR.
- f) Where Form VAT 118 is received more than 10 days after the effective date of registration in which the registration was effective, reasons for delay should be ascertained and examined to accept or refuse the claim. Record in VAT PRR.
- g) Where the CTO approves the claim, the claim should be processed in accordance with chapter 31 of this manual, where the claim is rejected, Form VAT 120 should be issued and in the absence of a response from the dealer, Form VAT 128 should be issued, confirming rejection of the claim. Record in VAT PRR.
- h) Where the dealer objects against the notice on Form VAT 120, the CTO should consider the objections and if accepted send Form VAT 118 for processing, if the rejection is confirmed issue Form VAT 128. Record in VAT PRR.
- i) When the Form VAT 118 has been processed, Form VAT 119 should be issued, box 13 and 14 completed on Form VAT 118 and the VAT PRR updated.

31. INSTRUCTIONS FOR PROCESSING VAT CREDIT CLAIMS

1) Initial action on receipt of Form VAT 118 VAT credit claims

- a) Claims should be filed in duplicate. Any omissions or discrepancies should be resolved with the dealer before the claim is accepted.
- b) The date of receipt of the claim should be recorded in VAT PRR, the duplicate copy certified as received, signed and dated by the receiving officer and returned to the VAT dealer. Box 10 on Form VAT 118 should be completed. The receiving officer should certify Form VAT 118.

2) Checking Form VAT 118

- a) The claim received at the tax office should be checked to:
 - Confirm the stocktaking was completed within 7 days of the effective date of registration.
 - Establish purchase date of stock was within the period three months prior to the effective date of registration.
 - Negative list goods are not eligible for VAT credit unless the VAT dealer is in the business of selling such goods.
 - Ensure details of the documentary evidence (not the documents) have been included for all items on the claim.
 - Check that the details of the value, rate of tax and amount claimed have been completed.
 - Ensure that no claims for credit of CST or TOT have been included.
 - Ensure that all boxes on Form VAT 118 have been completed.
- b) All discrepancies should be resolved, where possible, by contact with the VAT dealer. Details of unresolved queries, unusual features or claims which appear to be excessive, based on the information held on the VAT dealer, or suspicious, should be recorded on a memo attached to the claim and passed to the CTO for consideration. The CTO should pass selected claims to the audit section for a verification visit or certify the claim “accepted without verification”. Record in VAT PRR.
- c) Belated claims on Form VAT 118 received 10 days after the effective date of registration should be considered examining the reasons for delay. The CTO should issue a decision on such claims not later than one month after receipt of the claim. Where the CTO accepts the claim, Form VAT 118 should be passed for processing. Where the CTO rejects the claim, Form VAT 120 should be issued. After consideration of any response from the VAT dealer, the CTO should either accept the claim or issue Form VAT 128 confirming the rejection. Record in VAT PRR.

Forms VAT 118 received after the end of the month in which the registration is accepted should be rejected and Form VAT 128 issued.

3) Processing VAT 118 claims

- a) Confirm the TIN entered is correct for the VAT dealer.
- b) Check the stocktaking was completed within 7 days of the effective date of registration.
 - If the stocktaking is declared after the 7 days, reject the claim and issue Form VAT 120, record in VAT PRR.
 - Consider any objection and if accepted process the claim. If rejected issue Form VAT 128.
- c) Check the date of purchase is within 3 months prior to the effective date of registration:
 - If the date of purchase is before 3 months prior to the date of registration the item should be disallowed and the claim adjusted by issue of Form VAT 120. Record on VAT PRR.
- d) Ensure invoice details are provided for each item on the claim:
 - If no invoice details are provided, the item should be disallowed and the claim adjusted by issue of Form VAT 120. Record on VAT PRR.
- e) Check the rate of tax for the goods in the APVAT Act 2005 against the description of the goods.
 - Where an incorrect rate has been claimed, the claim should be adjusted by the issue of Form VAT 120. Record in VAT PRR.
- f) Check the calculation of tax credit claimed by using the eligible tax rate applied to the value declared.
 - Where an incorrect rate has been claimed, the claim should be adjusted by the issue of Form VAT 120. Record in VAT PRR.
- g) Where Form VAT 120 has been issued reducing the claim, after consideration of any response from the VAT dealer, the amount of credit approved should be notified to the VAT dealer on Form VAT 119. Record in VAT PRR.

4) Verification of VAT 118 claims

Special attention should be paid to VAT 118 claims filed and VAT 119 authorisations on the VAT advisory visit. Where a VAT advisory visit is not completed, the claim should be verified on the first audit visit.

Where irregularities or false claims are discovered on either the advisory or audit visit, an assessment on Form VAT 305A should be issued for the credit over claimed.

Leaflet 20

At the introduction of VAT, if you have any goods in stock or possession on which sales tax has already been paid, relief is provided to avoid double taxation on those goods.

01. WHAT RELIEF IS PROVIDED FOR IN THE APVAT ACT 2005?

The Andhra Pradesh VAT Act, 2005 makes provision for a credit to be claimed for sales tax paid prior to the 1st April 2005 in certain circumstances. To be able to claim this credit the following conditions apply.

1. The stock and assets (including capital goods, raw material and semi-finished goods) on which you are claiming credit must have been purchased from within Andhra Pradesh between 1st April 2004 and 31st March 2005.
2. You must be registered for VAT from 1st April 2005. (See VAT leaflet 02 '*Registration Guide*')
3. You must take inventory of goods on hand on 31st March 2005 within seven days on which you are claiming a credit of sales tax.
4. You must calculate the credit of sales tax as described in the answer to Question 3 of this leaflet.
5. The sales tax on which you can claim credit does not include CST or Turnover Tax.
6. Goods listed in paragraph 13 of VAT leaflet No.01 ("*Value Added Tax Guide*") can only be included in your sales tax credit claim if you are in the business of dealing in such goods.
7. Goods listed in Schedule I and Schedule VI of the A.P. VAT Act 2005 are NOT eligible for Sales Tax relief.
8. Where you make sales of exempt goods or exempt transactions, the relief which has been approved will be limited by the normal calculation of creditable Input Tax which can be claimed on the VAT return.

02. HOW DO I CALCULATE THE AMOUNT OF SALES TAX CREDIT I AM ENTITLED TO CLAIM?

1. Firstly you must have an invoice from your supplier proving that you purchased the goods in Andhra Pradesh.
2. If you have an invoice with sales tax charged separately, you can claim the amount of sales tax paid.
3. If your invoice does not specify the sales tax paid, you must adopt 90% of the invoice value and apply tax fraction to arrive at the tax amount that can be claimed as a credit.

The procedure to be followed is as follows:

- Reduce the value of the invoice by 10% i.e. value Rs.10,000/- (-) Rs.1,000 = Rs.9,000/-
- Apply the tax fraction to the reduced value according to the appropriate tax rate:
 - If the goods purchased were taxable @ 1% the tax fraction is 1/101
 - If the goods purchased were taxable @ 4% the tax fraction is 4/104 or 1/26
 - If the goods purchased were taxable @ 8% the tax fraction is 8/108 or 2/27
 - If the goods purchased were taxable @ 10% the tax fraction is 10/110 or 1/11

- If the goods purchased were taxable @ 12% the tax fraction is 12/112 or 3/28.
- If the goods purchased were taxable @ 16% the tax fraction is 16/116 = 4/29

For example: (Invoices where no sales tax is specified)

Value of goods	Rs.10,000/-
Reduced value (90%)	Rs. 9,000/-
Sales tax rate under APGST (say)	16%
Amount of credit to be claimed: 4/29 of Rs.9,000/- =	Rs.1,241/-

If the rate under APGST was 4% apply the fraction of 1/26 for the 4% rate and the claim is limited to Rs.346/- only.

4. If you are holding goods liable to tax under the Sixth Schedule of the APGST Act, 1957, you may claim a credit of sales tax based on the full value of the invoice you hold using the tax fraction related to the sales tax rate under the APGST Act, 1957.

Illustration:

For Example:

Value of goods specified in Sixth Schedule of APGST Act '57 carrying a tax rate of 16%

Rs.10,000/-

Amount of credit to be claimed 10000 x 16/116 =

Rs. 1,379/-

If the rate under APGST was 8% then the tax credit will be 10000 x 8/108

= Rs.741/- only

03. WHAT IS THE TAX FRACTION AND HOW IS IT CALCULATED?

- a) The tax fraction is a formula, which calculates the tax element where goods are sold at tax inclusive prices, i.e., where the VAT is not shown separately.
- b) It is calculated by reference to the rate of VAT currently specified in the law. It is calculated from the formula

$$\frac{R}{R + 100}$$

R is the tax rate.

For example with a rate of 12 percent the fraction is:

$$\frac{12}{12 + 100} = \frac{12}{112} = \frac{3}{28}$$

If the rate were 20 percent, the fraction would be:

$$\frac{20}{20+100} = \frac{20}{120} = \frac{1}{6}$$

04. HOW DO I CLAIM SALES TAX CREDIT IF I HAVE PAID TAX TO THE COMMERCIAL TAXES DEPARTMENT AT THE POINT OF PURCHASE OR ON MY PURCHASES?

- First You must take inventory of the goods on hand on the 1st of April 2005. You will then be entitled to claim a credit for the tax you have already paid for the goods on hand to the Commercial

Taxes Department for the purchases made between the 1st April 2004 and 31st March 2005.

- Your inventory declaration will be checked by the Commercial Taxes Department and the amount of credit claimed verified against your previous sales tax returns filed with the Department.

05. HOW SHOULD I PREPARE TO CLAIM SALES TAX CREDIT?

- Read leaflet 02 (**‘Registration Guide’**) and register for VAT. Consult your Tax Office if you are in doubt.
- Plan to take inventory by 7th April 2005. You will be able to claim credit only if you can prove the goods were in stock or possession on 31st March 2005.

06. HOW DO I CLAIM SALES TAX CREDIT?

- You must complete a sales tax credit claim form (VAT 115) in duplicate and provide all the information required on that form for the goods on which you are claiming a credit.
- You must submit this form to the tax office by the 10th April 2005.
- You will probably receive a visit from a tax officer to check your declaration. The tax office will notify you of the amount of sales tax credit you can claim.
- The tax office will advise you of the amount you can claim as input tax credit on form VAT 116.
- You can claim this amount in six equal sums as a credit at box 08 (B) of your VAT return for each month from August 2005 to January 2006.
- If you make sales of exempt goods and make an entry in box 12 of your VAT returns from August 2005 to January 2006, you must calculate the amount of sales tax credit you are entitled to claim. (See leaflet 04 **‘What can I credit as Input Tax?’**).

08. WHAT SHOULD I DO TO OBTAIN FURTHER INFORMATION?

You should contact your local Tax Office.

FOR OFFICE USE ONLY

Date of claim received	09		<u>Received by:</u> Name:..... Rank :..... Signature: <u>Checked by:</u> Name:..... Rank :..... Signature <u>Authorized by:</u> Name:..... Rank :..... Signature
Date of Official Stock check	10		
Result of Official Stock check	11		
Date of verification visit completed	12		
Amount of credit authorized	13		
Date VAT 116 issued to VAT Dealer	14		
Claim refused, date of form VAT 117 issued	15		

NOTES FOR THE COMPLETION OF THE CLAIM FORM FOR SALES TAX CREDIT
Remember, if you are not registered for VAT, you are not eligible to make this claim

- Box 01 Insert the name & Address of your tax office.
- Box 02 Fill in your TIN number shown on your VAT Certificate of Registration.
- Box 03 You should insert the name and address from your VAT Certificate of Registration.
- Box 04 Insert the date your stock-taking.
- Box 05 Insert the name of the person responsible for stock-taking.
- Box 06 Complete the list of goods at stocktaking on which you wish to claim credit of tax. Each column must be complete and you should continue on additional sheets if the space is insufficient. Invoices should not be sent with the claim form but they must be retained and made available for audit. Commercial Taxes Department Officers will visit your business to check the accuracy of your stock-taking record. - see leaflet 20.
- Box 07 Insert the total sum of credit claimed.
- Box 08 Print the name of the PERSON signing the form, and add the TITLE of the person.
SIGN and DATE the declaration.
- Box 09-15 Are for completion by the Circle Tax Office.
- Note: There are penal provisions for making a false declaration. This claim must be filed at the tax office by 10th April 2005.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 117

NOTICE OF REFUSAL / REDUCTION OF SALES TAX CREDIT CLAIM

Date Month Year

--	--	--

01. Tax Office Address:

02.	TIN																		
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name :
Address:

Receipt of your claim in Form VAT 115 dated _____ for sales tax paid on goods in stock at 01-04-2005 is acknowledged.

* 1. I am to notify that this claim cannot be accepted because _____

* 2. I am to notify you that your claim for sale tax credit is restricted to Rs. _____ as against Rs. _____ claimed by you. I herewith furnish the reasons for restriction of sales tax credit.

You are therefore requested to file your written objections if any along with documentary evidence within 10 days of date of this notice failing which the proposal as stated above will be confirmed without any further notice in the matter

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable

**CLAIM FOR CREDIT ON VAT PAID
ON GOODS ON HAND AT THE TIME OF
VAT REGISTRATION**

FORM VAT 118

[See Rule 20]

Date Month Year

--	--	--

01. Tax Office Address:

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
 Address: _____

04 | Effective date of registration

05 | Date stocktaking completed:

Sl. No	Name of the seller with TIN	Description of goods	Quantity	Date of purchase	Purchase Invoice Number	Rate of tax paid	Value	VAT credit claimed

(Use separate sheets if the space is insufficient)

08 | TOTAL CREDIT OF VAT CLAIMED

09 DECLARATION

I.....status.....of the above business hereby declare that the information given in this claim is true and correct.

Date Month Year

Signature & Stamp..... Date of declaration

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FOR OFFICE USE ONLY

Date of claim received	10		<u>Received by:</u> Name:..... Rank:..... Signature: <u>Checked by:</u> Name:..... Rank:..... Signature <u>Authorized by:</u> Name:..... Rank:..... Signature
Date of advisory / control visit	11		
Result of visit	12		
Amount of credit authorized	13		
Date of VAT 119 issued to VAT dealer	14		
Date VAT 120 issued to VAT dealer Refusing claim	15		

NOTES FOR THE COMPLETION OF THE CLAIM FORM FOR CREDIT OF VAT PAID ON GOODS ON HAND AT THE TIME OF REGISTRATION

- Box 01 Enter the name of the Tax Office.
 - Box 02 Fill in your TIN number shown on your VAT Certificate of Registration.
 - Box 03 You should insert the name and address from your VAT Certificate of Registration.
 - Box 04 Insert the effective date of registration shown on your VAT Certificate of Registration.
 - Box 05 Insert the date your stock-taking was completed.
 - Box 06 Insert the name (IN CAPITALS) of the person responsible for stock-taking.
 - Box 07 Complete the list of goods at stock-taking on which you wish to claim a VAT credit Each column must be completed and you should continue on additional sheets if the space is insufficient. Invoices should not be sent with the claim form but they must be retained and made available for audit. Commercial Taxes Department Officers will visit your business to check the accuracy of your stock-taking record. The amount of tax credit claimed must NOT be in excess of the amount paid to your suppliers calculated from the VAT inclusive value.
 - Box 08 Insert the total sum of VAT credit claimed.
 - Box 09 Enter the name of the PERSON signing the form, and add the status of the person in the business. SIGN and DATE the declaration.
 - Box 10-15 Are for completion by the Tax Office.
- Note : There are severe penalties for making a false declaration. This claim must be filed at the tax office within 10 days from your date of notification of registration.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 119

NOTIFICATION OF VAT CREDIT

[See Rule 20(1)]

Date	Month	Year

01. Tax Office Address: _____ _____ _____
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02	TIN																		
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03. Name : _____ Address: _____ _____ _____
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Receipt of your VAT credit claim in Form VAT 118 dated _____ for VAT paid on goods in stock at the effective date of your VAT registration is acknowledged.

I am to advise you that you are authorized to a VAT credit of Rs. _____ as claimed by you.

This claim should be claimed at Box 08(b) of your first VAT return.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 120

NOTICE OF REFUSAL / REDUCTION OF VAT CREDIT CLAIM

Date Month Year

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01. Tax Office Address: _____ _____ _____
--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

Receipt of your VAT credit claim in Form VAT 118 dated _____ for credit of VAT paid on goods on hand at the time of VAT registration is acknowledged.

- 1.* I am to notify you that this claim cannot be accepted because:

- 2.* I am to notify you that the claim is restricted to Rs. _____ as against Rs. _____ claimed by you due to the following reasons: _____

You are requested to file your written objections, if any, along with documentary evidence within 10 days of date of this notice failing which the proposal as stated above will be confirmed without any further notice in the matter.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off whichever is not applicable.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 126

NOTIFICATION OF REFUSAL / REDUCTION OF SALES TAX CREDIT CLAIM

01. Tax Office Address: _____ _____ _____
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Date	Month	Year

02	TIN																	
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03. Name : _____ Address: _____ _____ _____
--

* 1. You are advised by this office notice in Form VAT 117 dated _____ that your application for sales tax credit claim is not accepted for the reasons detailed and you were requested to file any objections to that decision. Since you have not responded to the notice / *on considering your reply, I am confirming the non-acceptance of sales tax credit claim for the following reasons.

Hence you are not eligible to claim any sales tax credit as claimed in your Form VAT 115.

* 2. You are advised by this office notice in Form VAT 117 dated _____ that your application for sales tax credit claim is not accepted for the entire amount and the claim was proposed to be restricted as per the reasons mentioned therein. Since you have * not Responded / * on considering your reply, I am confirming the sales tax credit to be claimed by you to an amount of Rs. _____ furnishing the reasons as under.

You have the right to appeal against this order within 30 days of date of receipt of this order.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 127

**NOTIFICATION OF NON-ACCEPTANCE / REJECTION
OF SALES TAX CREDIT CLAIM**

Date Month Year

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01. Tax Office Address: _____ _____ _____
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02	TIN																		
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03. Name : _____ Address: _____ _____ _____
--

I am to advise you that your application for sales tax credit in Form VAT 115, which is received in the tax office after the due date, cannot be accepted due to the following reasons:

You have the right to appeal against this decision within 30 days of date of receipt of this letter.

**DEPUTY COMMISSIONER,
_____ DIVISION.**

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 128

NOTIFICATION OF REFUSAL / REDUCTION OF VAT CREDIT CLAIM

Date Month Year

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01. Tax Office Address: _____ _____ _____
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02. TIN																			
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03. Name : _____ Address: _____ _____ _____
--

You are advised by this office notice in Form VAT 120 dated _____ that your claim for VAT credit is refused / restricted indicating reasons therewith and requested to file your written objections.

1. *Since you have *not responded / *on considering your reply, I am confirming the non-acceptance of your credit claim made in the Form VAT 118 due to the following reasons:

Hence you cannot claim any VAT credit.

2. *Since you have *not responded / *on considering your reply, I am confirming the confirming the restriction of your credit claim made in the Form VAT 118 due to the following reasons:

Hence you can claim Rs. _____ as VAT credit in Box 08 (b) of your VAT Return.

You have the right to appeal against this order within 30 days of date of receipt of this order.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

* Strike off which is not applicable.