

**SEVENTH LEGISLATIVE ASSEMBLY OF MIZORAM  
(THIRTEENTH SESSION)**

**LIST OF BUSINESS**

FOR A SITTING ON THURSDAY, THE 25<sup>th</sup> MAY, 2017  
(Time 10:30 A.M. to 1:00 P.M. and 2:00 P.M. to 4:00 P.M.)

**PRESENTATION OF REPORTS**

1. **THE SPEAKER** to present to the House the Thirteenth Report of Business Advisory Committee.
2. **PU JOHN SIAMKUNGA** to present to the House the Fourth Report of Committee on Local Fund Accounts on Action taken by the Government on the Recommendations contained in the Second Report of Committee on Local Fund Accounts on Annual Technical Inspection Report on Urban Local Body and Rural Local Bodies for the year 2013-2014 relating to Urban Development & Poverty Alleviation Department.

**LAYING OF PAPERS**

3. **PU LAL THANHAWLA**, Hon'ble Chief Minister to lay on the Table of the House "The Mizoram (Animal Slaughter Houses) Rules, 2016".
4. **PU LALSAWTA**, Minister to lay on the Table of the House "The Report of the Comptroller and Auditor General of India on General, Social, Economic Revenue and Economic (PSUs) Sectors for the year ended 31 March 2016".

**LEGISLATIVE BUSINESS**

***Bill for introduction, consideration and passing***

5. **PU LALSAWTA**, Minister to beg leave of the House to introduce "The Mizoram Goods and Services Tax Bill, 2017"

**ALSO**  
**to introduce the Bill**  
**to move that the Bill be taken into consideration**  
**AND**  
**to move that the Bill be passed.**

6. **PU LALSAWTA**, Minister to beg leave of the House to introduce  
“The Mizoram Value Added Tax (Amendment) Bill, 2017”.

**ALSO**  
**to introduce the Bill**  
**to move that the Bill be taken into consideration**  
**AND**  
**to move that the Bill be passed.**

NGURTHANZUALA  
Secretary

....

**SPEAKER** : “Mercy, peace and love be yours in abundance.”  
Jude 1:2

I would first like to announce that the following Members are granted leave of absence:

- a) Pu Lal Thanhawla, Chief Minister
- b) Pu C. Ngunlianchunga
- c) Pu S. Laldingliana
- d) Pu T.T. Zothansanga
- e) Pu T. Sangkunga
- f) Pu Lalthanliana

The programme of this 13<sup>th</sup> Session of our Assembly is notified through Bulletin Part II, No. 176, dated 19.5.2017. The report of Business Advisory Committee has to be presented in the House. Let the copy be distributed.

Let us call upon Pu John Siamkunga to present the paper of his concern.

**PU JOHN SIAMKUNGA:** Thank you, Pu Speaker. With your kind permission, I, hereby present in the House, “The Fourth Report on the Action Taken by the Government on the recommendations contained in the Second Report of the Committee on Local Fund Accounts on Annual Technical Inspection Report on Urban Local Body and Rural Local Bodies for the year 2013-2014 relating to Urban Development and Poverty Alleviation Department”.

**SPEAKER** : Let the copy be distributed. Let us call upon Pu R. Lalzirliana on behalf of the Hon. House Leader.

**PU R. LALZIRLIANA, MINISTER:** Thank you, Pu Speaker. On behalf of the Hon. Chief Minister, I, hereby lay on the Table of the House, “The Mizoram Slaughter Houses) Rules, 2016”.

**SPEAKER** : Let the copy be distributed. Let us now call upon Pu Lalsawta, Hon. Finance Minister to lay his papers.

**PU LALSAWTA, MINISTER:** Mr. Speaker, Sir, with the recommendation of His Excellency, the Governor of Mizoram, and with your permission, I lay the report of Comptroller & Auditor General of India on General, Social, Economic, Revenue and Economics (PSUs) Sectors for the year ended 31<sup>st</sup> March, 2016 relating to Government of Mizoram on the Table of this august House.

**SPEAKER** : Let the copy be distributed.

We shall now move to Legislative business. We have two bills to pass in this Session. Let us call upon Pu Lalsawta, the Hon. Finance Minister to beg leave of the House to introduce the bill.

**PU LALSAWTA, MINISTER:** Pu Speaker, with the recommendation of His Excellency, Governor of Mizoram, and with your permission, I beg leave of the House to introduce “The Mizoram Goods and Services Tax Bill, 2017”.

**SPEAKER** : The Hon. Minister may now introduce and move the bill with the permission of the House.

**PU LALSAWTA, MINISTER:** Pu Speaker, this bill is for the introduction of new system of tax collection in India. It is about indirect tax. The previously included tax is eliminated in this new system. It takes quite long to formulate this bill.

Goods and Services Tax Council (GST Council) was formed after necessary amendment was made in the constitution. Several states have passed this bill for their respective states. This new system was drastically changed from the old system. There is a clear division of power between central and state government regarding collection of taxes. Any transactions below ₹150 lakh will be taxed 90% by the State Government and another 10% by the Central Government.

The new GST is meant for the introduction of ‘one nation, one tax, one market’ policy. As per the prevailing system of taxation, the central government collects eight different taxes. All these taxes are clubbed together in one in this new system. Moreover, the prevailing nine different taxes collected by the state government are also included in this single system. This means that 17 different taxes are clubbed together in the new GST.

It is proposed to be implemented from the month of July. The problems within the Empowered Committee are, firstly, about the matter of petroleum products. We, the states opined that the state should have authority over petroleum products instead of including them in the GST, the same in state excise also. Secondly, there is difference regarding what is called ‘Threshold Limit’ which means classification of who will pay the tax. Initially, the threshold limit was proposed at ₹50 lakh. Later on, it is decided that a business having a turnover of more than ₹20 lakh a year should be taxed. However, this implies that most of the state revenues for smaller states will be left out untaxed. Thus, it is later decided that the threshold limit in small states to be ₹10 lakh.

Pu Speaker, I would like to explain the term ‘compensation of states’ contained in the bill. This bill will be beneficial mainly for the consumer states. The

producer states like Punjab, Haryana and other big states predict that they will not be benefitted by the GST system. Besides, the Central Sales Tax which is important revenue of bigger states has also been scrubbed. In order to compensate such problems, the 'Compensation of States' is included in the bill.

Meanwhile, it is believed that the state income will increase as not only the goods but also services will be taxed. The state income after GST will be compared with that of last year. If it decreases, the decreased amount will be compensated by the Central Government.

Speaking particularly of Mizoram, three Acts will be required to be repealed in order to implement this GST Act. Our state has a safeguard through Inner Line Regulation. Based on this regulation, provision was made in Section 22 that if anyone outside Mizoram is willing to be registered under this act, he is required to have valid ILP for two years.

Even if this bill is passed in this House, Rules have to be made in order to implement it which will be again passed by the Cabinet. All these steps have to be completed within a very short period of time.

Pu Speaker there is an apparent problem about internet connectivity. All transactions have to be done online under this Act. This may create problems as we have poor internet connectivity especially in the North East states. Besides, there are many people who own business who have no capacity to do online transactions. This needs to be carefully considered.

The bill is an immense work of legislation. It is difficult to go through it completely within a short period of time. I would like to request the Hon. Members to feel free to ask any questions they have regarding the Bill. With these words, I introduce "The Mizoram Goods and Services Tax Bill, 2017. Thank you.

**SPEAKER** : We shall now have discussion on the bill. Each member will have ten minutes. Let us call upon Er. Lalrinawma to take his time.

**Er. LALRINAWMA** : Thank you, Pu Speaker. During the discussion on constitution amendment for this GST Bill last year, we had already talked about its effects. Today, I would like to talk about the business owners.

It is confusing up to what level our businessmen are protected. At the time of introduction of VAT, I asked how many of non-tribal having VAT registrations are there. I am stunned to learn that there are 311 non-tribals. I am afraid that it will be the same under this Act also even if we said that we are protected by ILP.

The Indian government gives an immense importance towards business owners as well as trade and commerce. Formerly, it controlled the import and imports of goods through Quantitative Restriction (QRS). In 2001, this QRS has been abolished from the idea that if more goods are imported from outside India, the people may get them at lower cost. However, there is a doubt that if it is good for Indian businessmen and industrialists. Thus, a very high import duty is set as per General Agreement on Trade and Tariff (GATT). It is vital that a country should produce goods of its own in order to attain development.

What is important is, if it is GST or VAT also, how the business owners and industrialists will survive. It is correct that providing at lower prices is good. However, it is also vital for the state that business and industries should also grow which is a challenge for the government. This is the same reason why FDI is also opposed.

Regarding our state also, many businessmen and merchants from outside have entered and being registered in Mizoram. This is immensely unsafe for sons of the soil. It is really unfortunate to learn that 311 parties were included in VAT registration. It is vital that the Government should take measures to safeguard the business run by the people of the state.

Regarding the law itself, we have a little understanding as of now. It seems that the producing states will be less benefitted. If so, it seems desirable to have it for consumer states like our state. It is quite desirable to know by how much the tax will increase and how it will exactly affect us.

Lastly, we are aware that there are huge merchandises imported from Myanmar; it seems there is no control or monitoring from the authority. If this transaction keeps on exploiting the local trade, it is the people who will suffer. Therefore, I would like to express my desire to impose control of this ongoing trade also. I am supporting the Bill discussed today. Thank you.

**SPEAKER** : Pu R. Romawia, the Hon. Minister.

**PU R. ROMAWIA, MINISTER:** Thank you, Pu Speaker, this bill contains 21 Sections, 174 clauses, 647 sub-clause and 122 provisos. It also contains 31 explanations. It also links with 14 prevailing acts. It is a very detail and vivid bill.

We all may aware that taxation is the main revenue income of the state. Meanwhile, it is a fact that we often evade paying taxes. The department concerned should be very vigilant to have effective implementation of the bill when it becomes an act.

While we are saying the dangers of economic assimilation, we need to bear in mind that economic liberation is also important for economic development. We cannot achieve real development confining ourselves inside our own shell. We need to expand our business transactions also. We need to be broad minded in this regard. It is very difficult to fix the limit even to impose a reasonable restriction. Even though we have some protections, it is still very difficult to have a separate trading regulation. We all wanted the best for our state which I do not doubt. However, we need to realize that we are a part of the Indian Union. It is more suitable to find a way as to how we can implement the best for our state under within the premise of the constitution.

Considering all these, I believe that it is most suitable to pass this bill which is formulated for our state. It is a fact that no act can be perfect at one go. It can be amended as per the situation demands. This act will pave a new way for business as well as taxation for our state. Therefore, I am supporting this bill to be passed. Thank you.

**SPEAKER** : Thank you, Pu Speaker. The Bill we are discussing today is a new step taken by the Indian Government for new system of taxation. I consider that there is not much we can do in this House. Meanwhile, I feel much privilege to present here today to discuss this historic bill which will change the 70 years old prevailing system.

I have attended the meetings regarding this bill in Delhi accompanying the Hon. Taxation Minister. It was a great meeting at Vidhyan Bhavan under the Chairmanship of Hon. Finance Minister of India attended by state Finance Ministers. I found the things I have learned from such experiences very informative.

What we understand about this bill at the moment is very limited. It seems that the procedures of taxation will be cut short to a great extent. The taxation heads will also be decreased drastically which will further minimize the prevailing check gate system in our state also. Besides, many taxes are included as central taxes which may leads to lower prices of goods.

As already stated, we are a consumer state and not a producing state. GST is viewed as a system which will leads to better distribution of resources among the states. This seems to be more desirable for smaller states like us. If it is not good as expected at a long run, different states will later make pressure towards the central government also for amendment.

Chapter 3, Section 9, Sub-Section 5 deals with e-commerce operators. There is a huge amount of e-commerce transactions nowadays. There is no tax paid and no

expense on shop rent is needed through e-commerce. This made it possible to sell goods at lower price than common market. This in turn imposes certain problems for business owners. However, e-commerce transactions will also now be taxed through this bill. This is an important feature of this bill. It is believed that this will safeguard the cause of common market also to some extent.

As already stated, there is nothing much we can do to change the fate of this act. Many of our neighbouring states had already passed the bill as it is the initiative of the central government. Therefore, it is my opinion that we should pass this bill introduced by the Hon. Finance Minister. Thank you.

**SPEAKER** : Pu K. Sangthuama.

**PU K. SANGTHUAMA** : Thank you, Pu Speaker. I am not trying to criticize or oppose this bill. However, it is necessary that we should sincerely consider and learn the bill as it is meant to introduce a brand new system.

There used to be a time when the business in our state is controlled by a few outsiders. Many steps have been taken in the past by leaders so that we may not be economically assimilated. As a result, most of the trades in our states are now controlled by the Mizos. However, it is a fact that these people are not yet wealthy and consolidated enough to compete with traders from outside the state. Thus, it is vital to consider which will be the best for our state.

It may be difficult for local business to make a strong defense for local business but we have that provision in Section 22. This is a must because we are a small and a very young state with a fragile economy and we have witnessed economic assimilation in the neighbouring states like Meghalaya, Tripura, Arunachal and even Manipur. We need to learn from these states.

Access to cheaper goods is quite desirable. However, if we allow traders entering our state merely because they can sale goods at cheaper rate, economic assimilation is quite possible. There is a hot debate in this issue even in social media as some claims the local business has charge too much for their goods; this may also correct to some extents. However, what we should consider is the welfare the local trade and its safety. We should keep in mind what will be the best for our state in the long run.

Pu Speaker, I am not blindly opposing this bill nor argue that it should not be passed. However, I would like to make it clear that we, the members of this august House, should consider the best for our state. With the introduction of this act, let the business owners in the state know that we are standing in their cause. Let us stand



together, no matter what our political affiliation is, to safeguard their welfare so that the whole trade in our state should not be controlled from outside the state. Thank you.

SPEAKER : Pu John Siamkunga.

**PU JOHN SIAMKUNGA:** Thank you, Pu Speaker. We are not sure what will be the impact of GST. The VAT is introduced in 2005 and after 12 years, it will now be replaced by this GST. The effects will be seen after a very short time. The government will also pay attention if it is good or bad for the state.

I have not much to say about the details of this bill. However, looking at the salient features, I consider that there are some cases which are doubtful about GST.

Indirect taxes of 17 Nos. have to be clubbed together in this tax; it is also said that the revenue is expected to rise. My question is how this could happen. Does it mean that the price goes higher in most goods? Meanwhile, tax on luxurious and electrical goods seems to be lower. It is doubtful how the revenue could increase if that is the case.

It is also said that evasion of taxes will decrease under GST. This seems legit as there will be no hard-cash transactions. All the transactions are to be done through online. Besides, it is estimated that investment will drastically rise as a result of input tax credit. The cost of capital goods is also estimated to fall.

I am not sure of how the smaller states will be benefited. However, as far as my knowledge is concern, I opined that this could happen due to uniform flat rate introduced by IGST. Like our state which is located in remote place used to pay extra expenses in terms of transportation and taxes for import goods and also takes longer to transport such goods. If there is uniformity in taxation of goods, we may pay much less expenses than before. It seems that business will be easier if there is one integrated system.

Another point which requires clarification is the amount of revenue collected under the GST bill per ₹100 is ₹1.40 less than during VAT regime. I have a doubt how revenue could increase under GST if this is the case. This may be the reason why a huge amount is needed for state compensation also.

A matter of taxation is difficult for a layman to understand. I hope the people would be aware to some extents through this discussion also. In short, it is expected that prices will fall from the time of VAT regime under GST. Meanwhile, investment will increase which will leads to cheaper capital goods. This will aware the people

and make it increase of doing business. If there is more business in the state, the state revenue in turn will increase for the benefit of the state economy. Therefore, I am supporting this bill to be passed. Thank you.

**SPEAKER** : Dr. K. Beichhua.

**Dr. K. BEICHHUA** : Thank you, Pu Dy. Speaker. As already stated by my fellow Members, we are a consumer state, not a producer state and obviously there will not be negative effect for us. It may rather be beneficial for us if we could make the best use of it. Meanwhile, I found it quite challenging for the department concerned to implement it from July.

As we all know, this is a new law and also a new system and it seems that there is none among us who is so expert in this regard. I hope the Hon. Minister may also clarify certain matters later on. It is correct that we may first pass it and implement it, and if necessary, it could be amended in the future. Meanwhile, there seems to be few patent errors; I wish it could be passed with corrections made in these errors.

Regarding Section 11 at Page 28, we find the 'power to grant exemption from tax', which will be done on the recommendation of Council. It seems that we have to form the Council. I request the Hon. Minister to clarify at what interval the Council is expected to held a meeting. Also, regarding Section 57 on page 93, we find provisions for establishment of Consumer Welfare Fund. I would also like to ask if this welfare fund should be created along a Welfare Fund Body.

Last of all, I supported this bill to be passed. Time will tell where amendments are necessary and it may be amended. Thank you.

**DEPUTY SPEAKER** : Pu Lalruatkima.

**PU LALRUATKIMA** : Thank you, Pu Dy. Speaker. As we all know, gap between the discussion in this session and the time we receive the bill is very short. It seems we have no sufficient time to study the bill thoroughly. As it is of an urgent matter, the Hon. Members may also not be that expert regarding the bill.

The GST Bill is introduced by the 101<sup>st</sup> Constitution Amendment Act, 2016 to be implemented throughout India. The states are also directed to formulate GST Act as a State Act. The old system of taxation which has been in use for 75 years is changed. 17 different taxes are clubbed together under this new act into a single tax. I reckon that the Hon. Minister needs to clarify for us the system of distribution of taxes between central and the state under this GST.

Besides, when goods are import, we are going to pay integrated GST. I Request the Hon. Minister to kindly clarify how the State GST will be paid after that also. It seems that the people, even the business owners are also not clear about the system. I would also like to ask how input tax credit will be collected and how this will check price hike.

As stated by the Hon. Minister earlier, businesses having a turnover of less than ₹10 lakh will not be taxed; yet, there is a provision that they may pay composite tax. Will the Input Tax Credit be paid by them as well? I would like to ask what will be the exact system in this regard.

With the implementation of this Act, there are many things required to be changed regarding administration within the nodal Department, i.e. Taxation Department and the Hon. Minister has left out that point; I request him to clarify that point also. There are many new posts and designations which came along with the implementation of the act. It requires adjustment and changes in the administration of officials within the department also. Especially about the Assistant Commissioner contained in the Act, we do not have that designation at present. How will the Government cope with it? In this connection, it seems that the Taxation Department is not having separate Service Rules also. It is quite desirable that this may also be formulated with the implementation of this GST Bill.

Another problem that may arise is of goods which are currently in stock. For instance, if the VAT rate for a particular goods be 5%, if it come to 12% or 18% with the coming GST Act. It may not be appropriate to raise the price of goods in stock. This may create problems for the owners. Besides, will they be required to pay input tax credit for these goods? I hope the Hon. Minister may explain this matter also. Besides, I would like to add that if there is no provision for declaration of stock position, there may be leakage of revenue for the government.

Regarding Section 22, registration of non-tribal, I would like to express what I found to be insufficient. Section 26 requires Unique Identification Number. However, each of the people in rural area may not be able to produce that number. I opined it is better to demand EPIC Number.

We have no choice other than to implement it for the time being. Even so, we should try our level best to implement it the best for our state. We also need to pay attention to make amendments if needed. Thank you.

**DEPUTY SPEAKER** : Pu Lalrinliana Sailo.

**PU LALRINLIANA SAILO:** Thank you, Pu Dy. Speaker. The discussion of

this act is generally positive. The main aim of this new act is creating additional market, using compliances, to create unified common national market and to increase economic activity to generate more employment. This seems to be a very good system for awakening Indian economic system in order to compete with other countries.

We are all aware the impact of taxation for economy. We are all aware that many Indians hold many important posts in multinational companies. It is unfortunate that India remains unable to tap the manpower and potentials for itself. It is hoped that this GST Act will have positive impact in this regard also. Besides, its aim of increase economic activity to generate more employment is also a notable one.

Regarding safeguards of Mizos on trade transactions and exclusion of non-tribal from registration, many bills made for this purpose are often repealed by central government. It is a fact that some people from our very state used to take initiative to repeal such acts for their own benefit. We need to accept that we are having common issue in this regard. We should stand united in this regard keeping aside our political affiliations.

I would like to express my concern about our present trade route. We used to face problems from time to time when our only trade route has been blocked. The need for alternative trade route is immense. It is very important that our potential trade routes like Tlabung and Zorinpui should be materialized soon. This is very important to have trading regulations for non tribal also.

This bill seems to be an introduction of a single and simpler system of taxation and I consider this will be beneficial for our economy. So, I support the bill to be passed. Thank you.

**DEPUTY SPEAKER** : We shall now call upon the Hon. Minister to wind up our discussion and also to beg the House to pass the bill.

**PU LALSAWTA, MINISTER:** Thank you, Pu Deputy Speaker. Eight members have spoken in the discussion. I will go through points which need clarification as far as I could. (*Speaker's in the chair.*)

Hon. Member Pu John Siamkunga has said that there will be fall in prices of goods. This is correct and it is one of the main impacts we are expecting. He also said that there will be easier and smoother flow of business which will eliminate check gate. However, I would like to say that the check gate system seems to be needed for some more time. The reason is that there used to be some people who try to evade the law all the time. In order to check these people, the check gate system may be continued for some time.

Dr. K. Beichhua has spoken about the patent errors found in the bill. I am happy to learn that he is sincere enough to go through the bill thoroughly. However, this bill is downloaded as it is. It is passed by many other states also and is not the kind we can correct by our own. Thus, I wish we could pass it as it is. He also asks about the establishment of Consumers Welfare fund. Even though I could not provide concrete answer at this time, it seems that this should be established in the course of time.

Pu Lalruatkima has pointed out about Input Tax Credit. It is a system in which double payment of tax which leads to higher prices of goods are checked. Let the tax be ₹15, for example, and the merchant pays ₹10 in the first transaction, he need to pay only the remaining ₹5 in the next transaction under this system. This will make it possible to sell goods at lower price.

The threshold limit is set at ₹20 lakh for other places of India. However, in smaller states like North East States, Himachal Pradesh, Jammu & Kashmir and Uttarakhand, it is reduced at ₹10 lakh per year.

Pu Ruatkima has also spoken about possible problems regarding network. Some officials from Taxation Department had attended training on this in Delhi; we have also has given awareness to the people. We floated advertisements on cable channels as well as it is a must that the common people are aware of the new system. However, we accept that this is not yet enough.

As stated earlier, this bill may have its shortcoming but will be amended in the future as per the needs compel us. It is a bill which will change the previous system which remains for 70 years. Experts believe that this new system will bring Indian economy to a much higher level.

Regarding how this bill will lead to lower prices of goods, when several taxes are clubbed together in one tax, even if it seems a little high as a single tax, it may be lower if calculated carefully. When paying different taxes at different levels, the total amount we pay may not that low which will affect higher price. If the single tax we paid is lower than the total taxes we have paid in the previous system, it will surely leads to lower price.

It is inevitable that the introduction of GST Bill and amendment of the prevailing VAT go hand in hand. Even after the introduction of GST, there are some spheres in which the state has authority of taxation. In order to tax such items, the amendment of the previous VAT Act is proposed.

Regarding problems that may arise on nomenclatures of officers, it is correct

that there are some posts which are not available now. There are some proposals made which will be discussed by the Cabinet meeting and be passed in the House afterwards. However, we first need to pass this bill and implement it as it is.

Pu Speaker, it is necessary to say the requirements brought by this new system. As mentioned by Pu Lalruatkima, it requires many reforms within the nodal department i.e. the Taxation Department. There is a need for more vehicles, hardware and also manpower. It seems other departments are not jealous as the situation compels us. Service rules will also be formulated.

What the Hon. Member, Pu Lalrinliana Sailo has stated is correct. Economists expected that by 2030, China will be the biggest economy which will be seconded by India and USA. This is the change expected to be brought by GST.

Another possible danger is what we called 'predatory pricing'. It is a system in which more wealthy and consolidated businessmen exploited the smaller ones by pricing their items much lower. They can do this as they have the ability to sell items even at a loss. After pushing off all other competing parties, they may start restructuring their parties as desire and there is no other choice for the consumers than to buy from them since there will be no other competitors.

We all know that we are under the protection of Fundamental Rights in the Constitution. On the other hand, we cannot make laws against that right also. The Fundamental Rights permits every Indian to set up the business within the territory of India. Therefore, we cannot stop any non-tribal from doing business in Mizoram. What I found important for us is to have awareness of the important of mutual understanding among ourselves which seems to be is more important than trying to remain under the mercy of other means. We must stand united to protect ourselves from economic invasion from outsiders. It is the same for us politicians also, it is wrong to oppose each other in this kind of important matters.

The expected percentage of taxation under this GST will vary from 5%, 12%, 18% and 28% in different goods. There may be even 290% on sub charges and stages which we do not have time to discuss in detail.

As a consumer state, we are expecting to profit this act than the producer states since the profit go to the manufacturing unit and the state share is very less. Therefore, it is more optimistic for our state.

Amendment of soft copy has been mentioned earlier. Even though it is possible, it is rather difficult for us to amend this bill as it is received from the central government. We have made only some amendment which is vital for our state. It is

not appropriate to amend it in small matters.

Lastly, it is a fact that we have very less population. It is difficult to have bigger impact for India as a whole. It is ambitious enough to include some Sections like Section 22 and 26 in the bill. I consider that we have no time to go through all the sections as it is a massive one. Therefore, I beg the august House to pass this Bill. Thank you.

**SPEAKER** : Now, anyone who agrees to pass the bill may say, "Aye". (Members: Aye) Since there is no objection, I declare that the Mizoram Goods and Services Tax Bill, 2017 is passed.

**PU LALSAWTA, MINISTER:** Thank you, Pu Speaker.

**SPEAKER** : We shall call the Hon. Finance Minister, Pu Lalsawta to beg leave of the House to introduce 'The Mizoram Value Added Tax (Amendment) Bill, 2017'.

**PU LALSAWTA, MINISTER:** Pu Speaker, with the recommendation of the Governor and your kind permission, I hereby beg leave of the House to introduce 'The Mizoram Value Added Tax (Amendment) Bill, 2017'.

**SPEAKER** : If the House permits, The Hon. Finance Minister may take his time to introduce the Bill.

**PU LALSAWTA, MINISTER:** Thank you, Pu Speaker. Amendments have to be made through The Mizoram Value Added Tax (Amendment) Bill, 2017. Let me go through such proposed amendments in brief.

The total number of Schedule is reduced six and the term 'or purchase' in the introductory forward is removed. Several clauses like Section 2 Clause 8, 10, 12, 17, 26, 39 and 41 are omitted. The provisions of Section 15 will also be changed as "being goods specified at the entry 54 rate of List II of the 7<sup>th</sup> Schedule Constitution of India".

The same term 'or purchase' found in Section 3 clause 20 will also be omitted. The Schedules No. 1, 2, 3 will be changed to "the Schedule" as there will be only one schedule.

The term 'our contractual transfer price' found in Section 7 should be omitted. Similarly, 'or contractual transfer price' contained in Clause I Sub-section 1(b) will also be omitted. Section 7, Clauses (c) and (d) should also be omitted.

The wording of Section 8 is changed as “The taxable by a dealer lies into pay tax under Section 7 of the act shall be levied on the taxable turnover in respect of goods specified in schedule at the first point of sale first point of sale.” The term ‘or contractual transfer price’ again contained in Section 8 should also be omitted. Section 9 and 10 will be omitted completely.

Schedule 2 in Section 11 should be removed as well as in Sub-Section 2. The wording of Sub-Section 1 of Section 13 should be amended as “net tax payable by registered dealer for a tax period shall be equal to the output tax payable for the said tax period where the output tax is the tax at the first point of , shall, which can be determined from the following formula”. The Following formula will be: (net tax payable) – (rate of tax) x (balance of gross turnover after making deductions there from under section 8 100+ (rate of taxes).

Sub-Section 3 of Section 13 should be omitted and so are Section 14, 15, 16 and 18. The term “All registered dealers not dealing with goods defined under clause 15 of Section 2 of the Act shall be deemed to be registered from the date this amendment Act is come into force and their registration certificate shall stand cancel thereafter” will be added as Section 21(a). The percentage given in Section 24, Sub-Clause 3 Clause (c) should be changed to 0.5%. Similarly 2% contained in Sub-Section 2 should also be reduced to 0.5%.

Section 25, Sub Section 2 should be removed. In Section 31 Clause (c), Sub Section 1, the term ‘input tax credit’ should also be removed. Section 31, Clause (c), Sub-section 7 should be removed as well as Section 34, Sub Section 1, Clause (e). The percentage in Section 37, sub-section 5 should also be reduced to 0.5 percent.

Similarly, in Section 45, the given percentage should be 0.5 percent. Section 48 should be omitted as well as Section 50 sub-section 2, clause (a) and (d). Section 53 should be removed. Sub section 1(A) will be added in Section 82 (A) as follows: “a registered dealer who would have continue to pay tax under The Mizoram Sales of Petroleum Products (including motor spirits and lubricants) Taxation Act, 1973 as repealed by the Mizoram Goods & Services Tax Act, 2017 had this amendment Act not come into force and who make an application for registration in terms of this act shall be deemed to be a registered dealer till fresh registration is granted to him under this Act’.

Section 84 and Section 85 Sub-section, 1 clause (b) should be removed. Besides, the term ‘payment may, notwithstanding anything contained in sub-section 1 be made to dealer for execution by him of works contact referred to in sub-section 7, on production by him of such certificate of the Commissioner’ should be omitted. Diesel, petroleum, ATF, natural gas and alcoholic liquor are given specific



percentages. Thank you, Pu Speaker.

**SPEAKER** : May you point out the repealed Act after this amendment?

**PU LALSAWTA, MINISTER:** Pu Speaker, the acts which have been repealed are: - The Mizoram Sales of Petroleum Products (including motor spirits and lubricants) Taxation Act, 1973, The Mizoram Entertainment Tax Act, 2013 and The Mizoram Entry Tax Act, 2015.

**SPEAKER** : We have gone through the bill in the previous discussion to some extents. Is there anyone who has anything to say more on this the bill? If not, the Hon. Minister may now move the House to pass it.

**PU LALSAWTA, MINISTER:** Thank you, Pu Speaker. I beg this august House to pass The Mizoram Value Added Tax (Amendment) Bill, 2017.

**SPEAKER** : We shall take vote on the bill. Whoever agrees to pass the bill may say, 'Aye'. (Members: Aye) If anyone opposes to pass may say, "Nay". If we all agree, I declare The Mizoram Value Added Tax (Amendment) Bill, 2017 passed.

We have now finished the business of this Session. The House will stand adjourned till the next session.

*The House is adjourned Sine Die. (1:37 p.m.)*