

NIC to prepare software for Bengal VAT

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The Commercial Taxes Department has engaged the National Informatics Centre (NIC) to design the necessary software for processing data as a prerequisite to the introduction of a uniform state VAT (value-added tax). Jawahar Sircar, the Commissioner, Commercial Taxes, West Bengal, said that the contract for software design was on the cards but the necessary data had to be gathered.

Sircar was addressing manufacturers and dealers at the Merchants' Chamber of Commerce. It may be recalled that the commissioners of taxes in the various states have already decreed, in principle, for the introduction of state VAT, as a precursor to a Central VAT, but the idea has yet to be implemented pending the collection of data on taxes. However, considerable progress has been made, said Sircar, and data on 67 major companies have already been gathered and stored. Incidentally, Sircar is part of the committee which is framing a new tax strategy.

On the issue of broadbanding commodities, he said difficulty in this lies in identifying commodities which can be banded together under one common head. As yet, commodity-wise classification has not been made. Sircar said that this particular exercise is on the back-burner for the moment.

During the course of his address, Sircar explained various doubts in the interpretation of the new tax structure which was part of the recent West Bengal Budget proposals.

For instance, on the question of input surcharge which has been significantly lowered, Sircar said that the Commercial Taxes Department was in the process of identifying more such items which could be classified as inputs.

On multipoint taxation system versus single point taxation system, he said that while the latter was obviously favoured by all authorities, before putting it into practice they would have to ensure that the current revenue is sustained without any reduction in it.