

## SALIENT FEATURES OF BUDGET 2011 - SALES TAX

- Reduction in standard rate of sales tax from 17% to 16%.
- Immediate full adjustment of sales tax paid on import or local purchase of fixed assets/capital goods allowed.
- Increase in the rate of value addition tax on commercial importers from 2% to 3%.
- Withdrawal of exemption of sales tax on number of items w.e.f 4-06-2011.
- Exemption of sales tax on white crystalline sugar at import and local supply.
- Revision of special return filed under section 27 is allowed with the permission of CIR.
- Empowering CIR to effectively enforce the blacklisting regime.
- Withdrawal of power of the taxpayer to revise the sales tax return in the case tax is short paid without the permission of the CIR.
- Disallowance of refunds filed under section 66 of the Sales Tax Act, 1990 where incidence has been passed on to the consumers.
- Condonation of delay under section 74 also allowed to Tax Authorities