



VALUE ADDED TAX IN MAHARASHTRA

Assit. Prof. Sunil Laxman Mali

Janata Kala Vanijya Mahavidyalaya, Malkapur Dist Buldana

Corresponding Author- Assit. Prof. Sunil Laxman Mali

Email:- suny.sm100@gmail.com

Abstract:-

This paper explores concept of VAT as well as the causes and consequences of the important and how is beneficial for government as well as consumers and disadvantage of the value added tax (VAT), growth of this tax, whether it has proved an especially effective form of taxation. It is first time shown good innovation in the tax structure, such as the introduction of a VAT, reduces the marginal cost of public funds if and only if it also leads an optimizing government to increase the tax percentage. This tax leads to the more than 130 countries in the world, that's goodness of Value Added tax. More probability in this tax to improve government as well as citizens. The results point to a rich set of determinants of VAT adoption, and to a important but complex impact on the revenue ratio. The estimates suggest, very tentatively, that most countries which have adopted a VAT have thereby gained a more effective tax instrument.

Keywords: probability, explores, Value, economy

Introduction:-

In whole world government run our economy thorough tax. So tax is the best think for government but taxes are different-different types, some taxes are direct and some taxes are indirect. in that taxes Value Added tax is most important because we are given VAT on all Manufacture Goods. Value added tax charge on several Services and Goods are imported from outside countries the European Union and brought in the United Kingdom from other European Union and brought into the United Kingdom from other European Union countries. VAT is charged when Value Added Tax registered business sells to either another business or to a non-business customer.

50 years ago the value-added tax (VAT) was rarely heard of outside of France and a few blah proficient texts. Now it raises about 20 % of in the world's tax revenue, and have an impact on about 4 billion people. Widely adopted in sub-Saharan Africa and elsewhere, it has been the focal point of tax improve in many developing countries. By any standards, the rise of the Value Added Tax has been the most consequence growth in tax policy and administration of recent decades. And it is not over yet. Several its islands countries are in the process of adopting a Value Added Tax, for example, Syria while, Libya, and the United Arab Emirates are among those planning introduction in the next years. All this is widely endorse. Yet the causes and consequences of the rise of the VAT have received nearly no attention, either conceptual or factual. Essentially nothing is known about the

two most basic questions of all: Are there any signs that the Value Added Tax has lived up, in practice, to the claims made for it by its advocates? And what exactly is it that has driven its remarkable spread around the world?

Definition

3-b "appointed date for the Maharashtra Goods and services Tax Act." means the date on which the Maharashtra Goods and Services Tax Act, 2017 comers into force in this tax include some thinks like

- a) Any services
- b) Any trade, commerce as well as manufacture:
- c) Any type of adventure of concern in the nature of service, trade, commerce, manufacture, adventure of concern

Rates of VAT

Standard rate 20 % percent

Reduced rate 5% percent

Zero rate 0 percent

Some Goods have 12.5 percent

Some years ago means 2017 GST replaced to VAT now our country use GST but Government not impose GST on all Goods EX:- Petrol, Diesel, and wine because they can give more tax than GST so VAT is important for government The Value Added Tax has become one of the most important instruments of revenue mobilization in the developing world. A recent and growing body of research highlights its strengths and some of the challenges it faces.

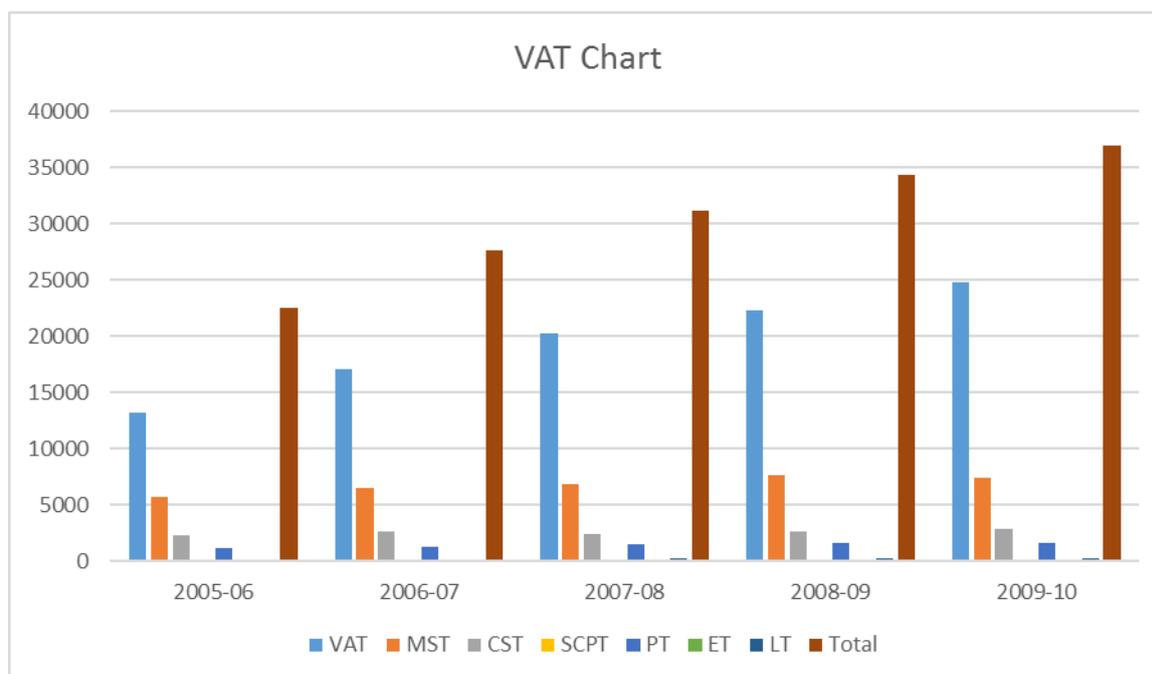
Today, Value Added Taxes (VAT) exist in more than 160 countries, including in many developing countries that have modernized their

tax systems in the past decades. Eighty percent of countries in sub-Saharan Africa have adopted the VAT, and it is now responsible for typically raising around one-quarter of all tax revenue. Moreover, countries continue to adapt and reform their VAT systems, sometimes substantially, such as India and Ghana did in 2017. This brief discusses studies about shed new light on the strengths and weaknesses of VAT systems. It also highlights important topics that could benefits from better evidence. Government of Maharashtra, reduces with effect

from the 1st April 2022 rate of VAT on Natural Gas to 3% from existing Rate of 13.5 per cent. Notification No. VAT-1522/CR-18/Taxation-1-25/03/2022 Government of Maharashtra, reduces with effect from the 1st April 2022 rate of VAT on Natural Gas to 3% from existing Rate of 13.5 per cent. Finance Department Madam Cama Marg, Hutatma Rajguru Chowk, Mantralaya, Mumbai 400 032, dated 25th March 2022. Notification The Maharashtra Value Added Tax Act,2002,No.VAT 1522.CR.18/Taxation-1...

Year	VAT	MST	CST	SCPT	PT	ET	LT	Total
2005-06	13170.98	5705.09	2261.75	56.50	1150.92	5.24	113.99	22464.47
	58.63	25.40	10.07%	0.25%	5.12%	0.02%	0.51%	100%
2006-07	17076.79	6496.98	2572.09	41.67	1246.72	3.86	156.29	27594.40
	61.88%	23.54%	9.32%	0.15%	4.52%	0.01%	0.57%	100%
2007-08	20270.95	6780.80	2402.62	3.46	1488.57	3.52	264.13	31214.05
	64.94%	21.72%	7.70%	0.01%	4.77%	0.01%	0.85%	100%
2008-09	22238	7570.81	2623.22	50.95	1556.62	5.24	262.66	34307.50
	64.82%	22.07%	7.65%	0.15%	4.54%	0.02%	0.77%	100%
2009-10	24774.31	7379.32	2822.92	122.41	1613.65	10.07	213.92	36936.60
	67.07%	19.98%	7.64%	0.33%	4.37%	0.03%	0.58%	100%
B. V.	0.16	0.11	0.04	0.09	0.07	0.03	0.08	0.13
CGR	17.68	12.12	4.30	9.19	7.12	3.42	8.70	14.20
CV	40.28	28.72	13.07	86.58	18.87	46.43	30.92	33.30
SD	6029.41	1579.98	308.61	37.84	234.24	2.74	53.95	8090.66

Source:- Statistic State Government Finance 2010,RBI



The Maharashtra Sales Tax on the Transfer of property in Goods involved in the execution of Works Contract (Re-enacted) Act, 1989. Maharashtra has introduced a subtraction type VAT in 1995. But due to design deficiencies, it reverted to a single point sales tax in 1999, though partial setting off of input costs from sales revenue combined till 2005. VAT in Maharashtra is levied under a legislation known as the Maharashtra Value Added Tax Rules (MVAT Rules). MVAT-2002 has repealed, The Bombay Sales of Motor Spirit Taxation Act, 1958, The Bombay Sales Tax Act, 1959, The Maharashtra Sales Tax Act, 1979, The Maharashtra Sales Tax on the transfer of the Right to use any goods for any Purpose Act, 1985, The share of BST/VAT has increased from 52.2 percent to 64.8 percent during 2001-02 to 2009-10 in sales tax revenue gross receipts of the Maharashtra. MST and CST has become the 2 and 3 largest contributor after BST/VAT in sales tax revenue gross receipts of Maharashtra.

The annual compound growth rate (CGR) and co-efficient of variation (CV) of BST/VAT in Maharashtra was 17.68 percent and 40.28 percent during 2001-02 to 2009-10. The major contributor to the State's OTR is Value Added Tax (VAT) (55.53 Percent). Among the States' OTR, VAT / Sales Tax has contributed maximum, which is increased from Rs.15,327 crores in 2003-04 to Rs. 40,815 crores in 2010-11.

Suggestion and findings:

VAT and state autonomy' rightly points out that tax coordination and harmonization across states can be achieved by floor rates of VAT for different goods.

VAT has simplified the paper work, proved to be user friendly, reduced transaction costs and time since e- registration has been made compulsory for every dealer.

It would be in the interest of both state governments and tax payers to have uniform laws and procedures for tax administration.

In the medium term, a consensus tax administration act will greatly reduce the cost & will lead to increase in the profitability of an organization.

Universally VAT & GST has been adopted for correcting the fiscal imbalances as it works well within all political and legal constraints.

The existing VAT system has increased the tax revenue as well as the profitability of the organization.

VAT has simplified the paper work, proved to be user friendly, reduced transaction costs and time since e- registration has been made compulsory for every dealer.

It is suggested and emphasized that VAT reduces the cascading effect and improves neutrality.

Therefore, rather than prescribing different rates for different goods, a

uniform VAT will improve economic efficiency.

It is suggested to prepare the infrastructural setup requisite for adequate automation in tax administration and engineer the business processes before the GST implementation

References:-

- 1) RBI (2010): Handbook of Statistics on State Government Finances Tait, Alan A. (1988): Value Added Tax: International Practice and Problems Washington, DC: IM
- 2) Deshmukh M S (2012): VAT & Its Impact on Profitability of Manufacturing Industries in Maharashtra, Indian Stream Research Journal Vol-1, Issue-V June; 12 pp. 1-4.
- 3) NCAER (2009): Moving to Goods and Service Tax in India: Impact on India's Growth & International Trade, Working Paper No.103.
- 4) Purohit Mahesh (2001): 'National and Sub-National VAT's: A Road Map for India, Economic & Political Weekly, March 3rd, 2001.
- 5) Rao Govinda M & Sharma J V M (1997): Value Added Tax in States: Challenges ahead, Economic & Political Weekly, February 1.
- 6) Government of Maharashtra (2012): Economic Survey, Ministry of Finance, Government of Maharashtra.
- 7) <https://taxguru.in/goods-and-service-tax/maharashtra-reduces-rate-vat-natural-gas-3-percent.html>
- 8) www.google.com
- 9) Rao Govinda M & Sharma J V M (1997): Value Added Tax in States: Challenges ahead, Economic & Political Weekly, February 1.
- 10) www.finance.gov.in, www.mahavat.gov.in