

No. 497 (2)/LXXIX-V-1-2022-1-ka-10-2022

Dated Lucknow, September 29, 2022

IN pursuance of the provisions of clause (3) of Article 348 of the Constitution of India, the Governor is pleased to order the publication of the following English translation of the Uttar Pradesh Maal aur Sewa Kar (Sanshodhan) Adhiniyam, 2022 (Uttar Pradesh Adhiniyam Sankhya 11 of 2022) as passed by the Uttar Pradesh Legislature and assented to by the Governor on September 29, 2022. The Rajya Kar Anubhag-2 is administratively concerned with the said Adhiniyam.

THE UTTAR PRADESH GOODS AND SERVICES TAX (AMENDMENT)

ACT, 2022

(U.P. Act No. 11 of 2022)

[As passed by the Uttar Pradesh Legislature]

AN

ACT

further to amend the Uttar Pradesh Goods and Services Tax Act, 2017.

IT IS HEREBY enacted in the Seventy third Year of the Republic of India as follows :-

Short title and commencement

1. (1) This Act may be called the Uttar Pradesh Goods and Services Tax (Amendment) Act, 2022.

(2) Save as otherwise provided in this Act,-

(a) Section 1 of this Act shall come into force with effect from 30th March, 2022;

(b) The other provisions of this Act shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint :
Provided that different dates may be appointed for different provisions of this Act.

Amendment of section 16

2. In the Uttar Pradesh Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), in section 16,-

(a) in sub-section (2)-

(i) after clause (b), the following clause shall be inserted, namely:-

“(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted;”;

(ii) in clause (c), the words, figures and letter “or section 43A” shall be omitted;

(b) in sub-section (4), for the words and figures “due date of furnishing of the return under section 39 for the month of September”, the words “thirtieth day of November” shall be substituted.

Amendment of section 29

3. In section 29 of the principal Act, in sub-section (2), —

(a) in clause (b), for the words “returns for three consecutive tax periods”, the words “the return for a financial year beyond three months from the due date of furnishing the said return” shall be substituted;

(b) in clause (c), for the words “a continuous period of six months”, the words “such continuous tax period as may be prescribed” shall be substituted:-

Amendment of section 34

4. In section 34 of the principal Act, in sub-section (2), for the word “September”, the words “the thirtieth day of November” shall be substituted.

Amendment of section 37

5. In section 37 of the principal Act,-

(a) in sub-section (1)-

(i) after the words “shall furnish, electronically;”, the words “subject to such conditions and restrictions and” shall be inserted;

(ii) for the words “shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed”, the words “shall, subject to such conditions and restrictions, within such time and in such manner as may be prescribed, be communicated to the recipient of the said supplies” shall be substituted;

(iii) the first proviso shall be omitted;

(iv) in the second proviso, for the words “Provided further that”, the words “Provided that” shall be substituted;

(v) in the third proviso, for the words "Provided also that", the words "Provided further that" shall be *substituted*;

(b) sub-section (2) shall be *omitted*;

(c) in sub-section (3),—

(i) the words and figures "and which have remained unmatched under section 42 or section 43" shall be *omitted*;

(ii) in the first proviso, for the words and figures "furnishing of the return under section 39 for the month of September", the words "the thirtieth day of November" shall be *substituted*;

(d) after sub-section (3), the following sub-section shall be *inserted*, namely:—

"(4) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him:

Provided that the Government may, on the commendations of the Council, by notification, subject to such conditions and restrictions as may be specified there in, allow a registered person or a class of registered persons to furnish the details of outward supplies under sub-section (1), even if he has not furnished the details of outward supplies for one or more previous tax periods."

6. For section 38 of the principal Act, the following section shall be *substituted*, namely:—

Substitution of
new section for
section 38

"38. (1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an auto generated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, with in such time, and subject to such conditions and restrictions as may be prescribed.

(2) The auto-generated statement under sub-section (1) shall consist of—

(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and

(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37,—

(i) by any registered person within such period of taking registration as may be prescribed; or

(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or

(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or

(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or

(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed; or

(vi) by such other class of persons as may be prescribed."

Amendment of
section 39

7. In section 39 of the principal Act,—

(a) in sub-section (5), for the word “twenty”, the word “thirteen” shall be substituted;

(b) in sub-section (7), for the first proviso, the following proviso shall be substituted, namely:—

“Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, in such form and manner, and within such time, as may be prescribed,—

(a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month; or

(b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.”;

(c) in sub-section (9),—

(i) for the words and figures “Subject to the provisions of sections 37 and 38, if”, the word “Where” shall be substituted;

(ii) in the proviso, for the words “the due date for furnishing of return for the month of September or second quarter”, the words “the thirtieth day of November” shall be substituted;

(d) in sub-section (10), for the words “has not been furnished by him”, the following shall be substituted, namely:—

“or the details of outward supplies under sub-section (1) of section 37 for the said tax period has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified there in, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods or has not furnished the details of outward supplies under sub-section (1) of section 37 for the said tax period.”.

Substitution of
new section for
section 41

8. For section 41 of the principal Act, the following section shall be substituted, namely:—

“41. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to avail the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited to his electronic credit ledger.

(2) The credit of input tax availed by a registered person under sub-section (1) in respect of such supplies of goods or services or both, the tax payable whereon has not been paid by the supplier, shall be reversed along with applicable interest, by the said person in such manner as may be prescribed:

Provided that where the said supplier makes payment of the tax payable in respect of the aforesaid supplies, the said registered person may re-avail the amount of credit reversed by him in such manner as may be prescribed.”.

9. Sections 42, 43 and 43A of the principal Act shall be omitted.

Omission of
sections 42, 43
and 43A
Amendment of
section 47

10. In section 47 of the principal Act, in sub-section (1),—

(a) the words “or inward” shall be omitted;

(b) the words and figures “or section 38” shall be omitted;

(c) after the words and figures “section 39 or section 45”, the words and figures “or section 52” shall be inserted.

11. In section 48 of the principal Act, in sub-section (2), the words and figures, “the details of inward supplies under section 38” shall be *omitted*. Amendment of section 48

12. In section 49 of the principal Act,— Amendment of section 49

(a) in sub-section (2), the words, figures and letter “or section 43A” shall be *omitted*;

(b) in sub-section (4), *after* the words “subject to such conditions”, the words “and restrictions” shall be *inserted*;

(c) *after* sub-section (11), the following sub-section shall be *inserted*, namely:—

“(12) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, subject to such conditions and restrictions, specify such maximum proportion of output tax liability under this Act which may be discharged through the electronic credit ledger by a registered person or a class of registered persons, as may be prescribed.”

13. In section 50 of the principal Act, *for* sub-section (3), the following sub-section shall be *substituted* and shall be deemed to have been *substituted* with effect from the 1st day of July, 2017, namely:— Amendment of section 50

“(3) Where the input tax credit has been wrongly availed and utilised, the registered person shall pay interest on such input tax credit wrongly availed and utilised, at such rate not exceeding twenty-four per cent. as may be notified by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.”

14. In section 52 of the principal Act, in sub-section (6), in the proviso, *for* the words “due date for furnishing of statement for the month of September”, the words “thirtieth day of November” shall be *substituted*. Amendment of section 52

15. In section 54 of the principal Act, — Amendment of section 54

(a) in sub-section (1), in the proviso, *for* the words and figures “the return furnished under section 39 in such”, the words “such form and” shall be *substituted*;

(b) in sub-section (2), *for* the words “six months”, the words “two years” shall be *substituted*;

(c) in sub-section (10), the words, brackets and figure “under sub-section (3)” shall be *omitted*;

(d) in the Explanation, in clause (2), *after* sub-clause (b), the following sub-clause shall be *inserted*, namely:—

“(ba) in case of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit where a refund of tax paid is available in respect of such supplies themselves, or as the case may be, the inputs or input services used in such supplies, the due date for furnishing of return under section 39 in respect of such supplies;”

STATEMENT OF OBJECTS AND REASONS

The Uttar Pradesh Goods and Services Tax Act, 2017 (U. P. Act no. 1 of 2017), hereafter referred to as the said Act, has been enacted to make a provision for levy and collection of tax on intra-state supply of goods or services or both by the State of Uttar Pradesh and the matters connected therewith or incidental thereto.

2. The said Act, provides for certain provisions for smooth transition of existing tax payers to new goods and service tax regime. However the new tax regime had faced certain difficulties. One of the many inconveniences caused to the small and medium tax payers was the complex process of filing return and claiming input tax credit under the Goods and Services Tax laws. In this regard the proposed changes envisages certainty in claims of input tax credit and end of two way communication of input tax credit verification for taxpayers. In order to implement above changes and also to overcome other difficulties, it was decided to amend the said Act by amending the relevant sections of the said Act.

The Uttar Pradesh Goods and Services Tax (Amendment) Bill, 2022 is introduced accordingly.

By order,
ATUL SRIVASTAVA,
Pramukh Sachiv.