



**report**  
**committee on sales tax**

X72910bX:545.2.N6t  
K4

X72910bX:545.2.N6t  
K4  
099961

# **REPORT OF THE COMMITTEE ON SALES TAX**



**DIRECTORATE OF COMMERCIAL PUBLICITY, MINISTRY OF  
COMMERCE, GOVERNMENT OF INDIA, NEW DELHI**

## CONTENTS

### CHAPTER

|  |    |
|--|----|
| One. Introduction .. .. .  | 1  |
| Two. Importance of Exports .. .. .   | 4  |
| Three. Sales Tax System in the States .. .. .  | 10 |
| Four. Problems of Sales Tax in relation to Exports ..  | 19 |
| Five. Relief from Sales Tax .. .. .  | 23 |
| Six. Allied Problems .. .. .   | 33 |
| Seven. Conclusion .. .. .  | 35 |
| SUMMARY .. .. .  | 41 |
| <b>APPENDICES</b>  |    |
| 1. Committee on Sales Tax .. .. .  | 51 |
| 2. (a) Questionnaire issued for eliciting information from<br>State Governments .. .. .  | 53 |
| 2. (b) Questionnaire issued for eliciting information from<br>Trade Associations etc. .. .. .  | 54 |
| 3. Associations of Trade and Industry, Export Promotion<br>Councils and individuals who submitted written<br>Memoranda in response to the questionnaire issued by<br>the Committee .. .. . | 55 |
| 4. List of Associations and individuals who gave oral evidence<br>before the Committee .. .. .   | 58 |
| 5. Programme of meetings .. .. .   | 60 |
| 6. The Central Sales Tax (Registration and Turnover) Rules,<br>1957 .. .. .  | 61 |
| Form 'C'—Form of Declaration .. .. .   | 61 |
| Form 'D'—Form of Certificate for Marking Govern-<br>ment purchase .. .. .  | 62 |
| 8. Statement showing rates of Local Sales Tax on main<br>exportable commodities in various States and Union<br>Territories in India .. .. .  | 63 |
| 9. A Note on measures of relief to export from turnover tax<br>in West Germany, France and Italy .. .. .   | 83 |
| 10. Bombay Sales Tax Rules, 1959 .. .. .   | 85 |
| 11. Revenue from sales tax and total tax revenue (State<br>Governments) .. .. .  | 86 |