

NAGALAND ACT 11 OF 1967

(THE NAGALAND SALES TAX ACT, 1967)

*Received the assent of the President of India on the
15th November, 1967.*

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**An Act to provide for the levy of a tax on the sales of
goods in Nagaland**

Preamble.—WHEREAS it is necessary to make an addition to the revenues of Nagaland and, for that purpose, it is expedient to impose a tax on the sale of goods ;

It is hereby enacted in the Eighteenth Year of the Republic of India as follows :—

Short title, extent and commencement.—1. (1) This Act may be called the Nagaland Sales Tax Act, 1967.

(2) It extends to the whole of Nagaland.

(3) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

Definitions.—2. In this Act, unless there is anything repugnant in the subject or context :—

(1) “Commissioner” means the Commissioner of Taxes appointed under section 3 ;

(2) “Contract” means any agreement for carrying out for cash or deferred payment or other valuable consideration :—

(a) the preparation, construction, fitting out, improvement or repair

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of any movable property, or of any building, road, bridge or other immovable property ; or

(b) the installation or repair of any machinery affixed to a building or other immovable property.

(3) "Dealer" means any persons who carries on the business of buying, selling, supplying or distributing goods directly or otherwise, whether for cash, or for deferred payment, or for commission, remuneration or other valuable consideration and includes any society, club or association which sells or supplies goods to its members :—

Explanation.—The manager or agent of a dealer who resides outside the State and carries on the business of selling or supplying goods in the State shall in respect of such business be deemed to be a dealer for the purposes of this Act ;

(4) "Declared Goods" means goods declared by section 14 of the Central Sales Tax Act, 1956 (Act 74 of 1956) to be of special importance in inter-state trade or commerce and the sale of which is taxable under this Act ;

(5) "Goods" means all kinds of movable property other than newspapers, actionable claims, stocks, shares or securities, and includes all materials, articles and commodities, whether or not to be used for the purposes referred to in sub-clause (a) and (b) of clause (2) ;

(6) "Gross turnover" means the turnover referred to in section 13 ;

(7) "Net turnover" means the turnover referred to in section 14 ;

(8) "Person" means any individual, or association or body of individuals, and includes a Department of any Government, a Hindu undivided or joint family, a firm and a company, whether incorporated or not ;

(9) "Prescribed" means prescribed by rules made under this Act ;

(10) "Registered dealer" means a dealer registered under the provisions of this Act ;

(11) "Sale" with all its grammatical variations and cognate expressions

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means any transfer of property in goods by any persons for cash or deferred payment or other valuable consideration, and includes a transfer by separate agreement and for money consideration of goods involved in the execution of a contract, but does not include a mortgage, hypothecation, charge or pledge :—

Explanation. —Sale also shall be deemed to include a transfer of goods on the hire-purchase or other instalment system of payment, notwithstanding the fact that the vendor may retain the title in the goods as a security for payment of the price ;

(12) "Sale price" means the amount payable to a dealer as valuable consideration for :—

- (a) the sale or supply of any goods, less any sum allowed as cash discount according to ordinary trade practice, but including any sum charged for anything done by the dealer with or in respect of the goods at the time of or before, delivery thereof other than the cost of freight or delivery or the cost of installation where such cost is separately charged ; or
- (b) the carrying out of any contract, less such fraction of such amount as represents the prescribed proportion of the cost of labour used in carrying out the contract ;

(13) "Section" means a section of this Act ;

(14) "State" means the State of Nagaland ; and

(15) "Year" means the financial year.

Taxing Authorities.—3. (1) The State Government may, for carrying out the purposes of this Act, appoint a Commissioner of Taxes, and such other persons to assist him as it thinks fit.

(2) Persons appointed under sub-section (1) shall exercise such powers as may be conferred, and perform such duties as may be required, by or under this Act.

(3) All persons appointed under sub-section (1) shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (XLV of 1860).

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Liability to Tax.—4. (1) Subject to the provisions of this Act every dealer whose gross turnover from sales which have taken place either wholly in NAGALAND or both in and outside NAGALAND during the twelve months immediately preceding the date of such commencement exceeded Rs. 12,000 (hereinafter referred to as “the taxable quantum”) shall be liable to pay tax under this Act on sales which have taken place in Nagaland on and from the date of such commencement.

(2) Every dealer to whom sub-section (1) does not apply shall be liable to pay tax under this Act with effect from the first of April of the year during which his gross turnover from sales which have taken place either wholly in NAGALAND OR BOTH IN AND OUTSIDE NAGALAND first amounts to or exceeds the taxable quantum “provided that such dealer shall not be liable to pay the tax under this Act during such year in respect of his gross turnover upto the taxable quantum” specified in sub-section (1).

(3) Dealer registered under the Central Sales Tax Act, 1956 (Act No. 74 of 1956) who is not liable to pay tax under sub-section (1) and (2) above, shall nevertheless be liable to pay tax on his sale of any goods in respect of the purchases of which he has furnished a declaration under sub-section (4) of section 8 of the Central Sales Tax Act, 1956, or on the sale of any goods in the manufacture of which such goods have been used and every such dealer who is liable to pay tax shall be deemed to be a registered dealer.

(4) Nothing in sub-section (1), (2) and (3) above shall be deemed to render any dealer liable to tax on the sale of goods where such sales take place :—

- (i) Outside the State of NAGALAND ;
- (ii) In the course of the import of the goods into, or export of the goods out of, the territory of India ; or
- (iii) In the course of inter-state trade or commerce.

Explanation.—For the purpose of this sub-section, whether a sale takes place :—

- (i) Outside the State of NAGALAND ;
- (ii) In the course of import of the goods into or export of the

goods out of, the territory of India ; or

(iii) In the course of inter-State trade or commerce ; be determined in accordance with the principles, specified in section 3, 4 and 5 of the Central Sales Tax Act, 1956 (No. 74 of 1956).

(5) Every dealer who has become liable to pay tax under this Act shall continue to be so liable until the expiry of three consecutive years, during each of which his gross turnover from sales which have taken place either wholly in Nagaland or both in and outside Nagaland has failed to amount to or exceed the "taxable quantum" and on the expiry of this period, his liability to pay tax under this Act shall cease.

(6) Every dealer whose liability to pay tax under this Act has ceased under the provisions of sub-section (4) shall again be liable to pay tax with effect from the first of April of the year during which his gross turnover from sales which has taken place either wholly in Nagaland or both in and outside Nagaland again amounts to or exceeds the "taxable quantum".

(7) Where the dealer liable to pay tax under this Act starts a new business, partnership firm or concern, whether by changing the constitution, style or name of the previous business, partnership firm or concern shall notwithstanding anything contained in the proviso to sub-section (2) of this section, be liable to pay tax on sales which have taken place in Nagaland from the date of the commencement of the said business, partnership firm or concern as the case may be.

Rate of Tax.—5. (1) The tax payable by a dealer under this Act shall be at the rate specified in Schedule I attached to this Act : Provided that the State Government may, by notification in the Official Gazette, grant rebate not exceeding one per centum of the tax subject to such conditions as may be specified therein.

(2) The State Government, after giving by notification in the Official Gazette not less than three months' notice of its intention so to do may, by like notification, reduce the rates of tax specified in the said Schedule and thereupon the said Schedule shall be deemed to be amended accordingly.

Charge of Tax.—6. (1) The tax shall be charged at specified rate for each category of goods on the total net turnover of a dealer.

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[(2) Where the total tax payable by a dealer as per sub-section (1) contains fraction of a rupee—

- (a) in case the fraction is below 50 (fifty) paise it shall be omitted;
- (b) in case the fraction is 50 (fifty) paise and above it shall be rounded to the next higher rupee.]¹

Limit of application of the Act.—7. The provisions of this Act shall not apply to the sale of—

(1) Goods taxable under the Nagaland (Sales of Petroleum and Petroleum Products including Motor Spirit and Lubricants) Taxation Act, 1967.

[(2) Goods taxable under the Nagaland Finance (Sales tax) Act, 1967.]²

(3) Goods on which a duty or fee is levied under the Eastern Bengal and Assam Excise Act, 1910; and

(4) Goods specially exempted under the provisions of this Act.

Exemptions.—8. (1) Subject to the conditions and exemptions, if any, set out in Schedule II attached to this Act, the sales of goods specified therein shall be exempted from taxation under this Act.

(2) The State Government, after giving in the Official Gazette such previous notice as may be considered reasonable of its intention so to do, may, by like notification, add to, amend or otherwise modify, the said Schedule and thereupon the said Schedule shall be deemed to be amended accordingly.

Compulsory Registration.—9. (1) No dealer shall, while being liable to pay tax under the provisions of this Act, carry on business as a dealer unless he has been registered and possesses a certificate of registration.

(2) Every dealer required by sub-section (1) to be registered shall apply for registration to the Commissioner in the prescribed manner, and obtain a certificate of registration.

1. Inserted *vide* Nagaland Act 3 of 1971.

2. Omitted *vide* Nagaland Act 3 of 1971.

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(3) On receipt of an application under sub-section (2) the Commissioner shall, if he is satisfied after such enquiry as may be deemed necessary that the application is in order, register the applicant.

Registration by Commissioner.—10. (1) The Commissioner may, in addition to taking any other action under the provisions of this Act, require any dealer who, in his opinion, is liable to registration but has not made an application in this behalf to apply for registration and register him. The Commissioner shall register a dealer who fails to apply for registration within a specified time:

Provided that no action under this sub-section shall be taken unless the Commissioner has given notice to the dealer of his intention so to do and has allowed him a reasonable opportunity of being heard.

(2) The Commissioner shall register any dealer who has been convicted under section 42 or has paid composition money under section 45 in respect of any contravention of sub-section (1) of section 9.

(3) Registration made under sub-section (1) or sub-section (2) shall take effect as if these had been made on the dealer's application under sub-section (2) of section 9.

Voluntary Registration.—11. (1) Any dealer whose total gross turnover during a year amounts to or exceeds the taxable quantum may, notwithstanding that he may not be liable to pay tax under section 4, apply in the manner referred to in sub-section (2) of section 9 for registration under this Act.

(2) The provisions of sub-section (3) of section 9 and of section 12 shall apply in respect of applications for registration under sub-section (1) of this section.

(3) Every dealer who has been registered upon application under this section shall, for so long as his registration remains in force, be liable to pay tax under this Act.

(4) The registration effected under the provisions of this section shall be in force for a period of not less than three complete years and shall remain in force thereafter unless cancelled under the provisions of this Act.

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(5) A dealer registered under this section may, subject to the provisions of sub-section (a), apply not less than six months before the end of a year to the authority which granted him his certificate of registration for cancellation of such registration to take effect at the end of the year in which the application for such cancellation is made; and the said authority shall, unless the dealer is liable to pay tax under section 4, cancel the registration accordingly.

Certificate of Registration—12. (1) A dealer registered under section 9 or section 10 shall be granted a certificate of registration in such form as may be prescribed, which shall specify the class or classes of goods in which at the time of the grant of the said certificate the dealer carries on business and such other particulars as may be prescribed.

(2) The Commissioner may, on petition or otherwise, cancel or amend from time to time any certificate of registration :

“Provided that no action under this sub-section shall be taken unless the Commissioner has given notice to the dealer of his intention so to do and has allowed him a reasonable opportunity of being heard.”¹

(3) The Commissioner shall cancel the certificate of registration when—

- (a) the business in respect of which the certificate was issued has been discontinued or transferred; or
- (b) the liability to pay tax in respect of such business has ceased under this Act.

(4) The Commissioner or any officer authorised by him in writing in this behalf, if it appears to him to be necessary so to do for the proper realisation of the tax levied under this Act, may impose for reasons to be recorded in writing as a condition of the issue of a registration certificate to a dealer or of the continuance, in effect, of such a certificate issued to any dealer, a requirement that the dealer shall give security upto an amount and in the manner approved by the Commissioner for the payment of the tax for which he may be or become liable under this Act.

1. Inserted *vide* Nagaland Act 3 of 1971.

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Gross Turnover.—13. (1) The gross turnover of a dealer during any given period shall be determined by taking the aggregate of the sale prices of goods sold during that period.

(2) In computing under sub-section (1) the turnover of a dealer for the purposes of this Act, there shall be included—

(a) so much of the turnover of a wife or minor child of such dealer as arises directly or indirectly from—

(i) the membership of the wife in the business of which her husband is a partner;

(ii) the admission of the minor to the benefits of partnership in the business of which the father is a partner; and

(iii) the business or any part thereof transferred directly or indirectly to the wife or the minor, not being a married daughter by the husband or the father otherwise than for adequate consideration; and

(b) so much of the turnover of any person as arises from the business transferred otherwise than for adequate consideration to the person by a dealer for the benefit of his wife or of minor child or both.

Net Turnover.—14. The net turnover shall be determined by deducting from a dealer's gross turnover during any given period—

(1) his turnover during that period on—

(a) the sale of goods exempted under sections 7 and 8;

(aa) goods taxed at the rate of seven paise in the rupee;¹

(b) sale to a registered dealer of—

(i) goods specified in the purchasing dealer's certificate of registration as being intended by him for—

(a) resale in the State, or

1. Inserted *vide* Nagaland Act 3 of 1971.

- (b) use in the execution of any contract,
- (ii) containers and other materials for the packing of such goods: Provided that the goods which are purchased free of tax and used by a dealer for purposes other than those specified in his certificate of registration, the price of such goods so utilised shall be included in his net turnover; and
- (c) such other sales as may be prescribed;
- (2) the amount of any debt proved to have been bad and written off on which tax has been paid; and
- (3) the per centum as against each item of the balance remaining after making the deductions admissible under clauses (1) and (2) in case of goods specified below—
- | | |
|---|--------------------|
| (a) goods taxed at the rate of ten paise in the rupee | per centum
9.09 |
| (b) goods taxed at the rate of five paise in the rupee | 4.76 |
| (c) goods taxed at the rate of three paise in the rupee | 2.91 |
| (d) goods taxed at the rate of one paise in the rupee | 0.99 |

Returns.—15. (1) Every registered dealer shall furnish such returns of his total turnover by such dates and to such authority as may be prescribed.

(2) In the case of any other dealer whose total turnover is, in the opinion of the Commissioner, of such amount as to render him liable to pay tax under this Act for any year or a part thereof, the Commissioner may serve [at any time within eight years of the end of the aforesaid period]¹ a notice in the prescribed form upon him requiring him to furnish a return of his total turnover; and such dealer shall thereupon furnish the return within the period and to the authority mentioned in the notice.

(3) If any dealer discovers any omission or other error in any return

1. Substituted *vide* Nagaland Act 3 of 1971 for the word "in th yeear".

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furnished by him either under sub-section (1) or sub-section (2), he may furnish a revised return at any time before assessment is made on the original return.

(4) No return submitted under this section shall be valid unless it is accompanied by a treasury receipt showing payment of the tax due as provided in sub-section (2) of section 36.

Assessment.—16. (1) If the Commissioner is satisfied that a return furnished by a dealer under section 15 in respect of any period is correct and complete, he shall by an order in writing, assess the dealer and determine the tax payable by him on the basis of such return.

(2) If the Commissioner is not satisfied that a return furnished under section 15 is correct and complete, he shall serve on the dealer a notice requiring him, on the date, and at the hour and place specified therein, either to attend in person or to produce or cause to be produced any evidence on which he may rely in support of his return.

(3) On the day specified in the notice under sub-section (2) or as soon afterwards as may be, the Commissioner, after hearing such evidence as the dealer may produce and such other evidence as the Commissioner may require, shall, by an order in writing, assess the dealer and determine the tax payable by him on such assessment.

(4) If a dealer fails to make a return as required by sub-section (1) or sub-section (2) of section 15, as the case may be, or having made the return fails to comply with all the terms of the notice issued under sub-section (2) of this section, the Commissioner shall by an order in writing, assess to the best of his judgment the dealer, and determine the tax payable by him on the basis of such assessment:

Provided that before making assessment the Commissioner may allow the dealer such further time as he thinks fit to make the return or to comply with the terms of the notice issued under sub-section (2) of this section.

Cancellation of assessment.—17. Where a dealer, in the case of an assessment completed under sub-section (4) of section 16, satisfies the

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Commissioner, within one month from the [date of service]¹ of a notice of demand as hereinafter provided, that he was prevented by sufficient cause from making the return required by section 15 or that he did not receive the notice issued under sub-section (2) of section 15 or sub-section (2) of section 16, or that he had not a reasonable opportunity to comply, or was prevented by sufficient cause from complying with the terms of the notice, the Commissioner shall cancel the assessment and make a fresh assessment in accordance with the provisions of section 16.

Assessment in case of evasion.—18. If upon information which has come into his possession, the Commissioner is satisfied that any dealer has been liable to pay tax under this Act in respect of any period and has nevertheless failed to apply for registration, and to make the return required of him, the Commissioner may, at any time within eight years of the end of the aforesaid period, serve on the dealer a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 15 and may proceed to assess the dealer in respect of such period and all subsequent periods, and the provisions of the Act so far as may be shall apply accordingly as if the notice were a notice issued under the aforesaid sub-section :

Provided that the tax shall be charged at the rate at which it would have been ordinarily chargeable.

[Provided further that before making an assessment under this sub-section, the Commissioner shall give notice to the dealer of his intention so to do and allow him a reasonable opportunity of being heard.]²

Turnover escaping assessment.—19. (1) If upon information which has come into his possession the Commissioner is satisfied that any turnover in respect of sales of any goods chargeable to tax under this Act has escaped assessment during any return period or has been underassessed or assessed at a lower rate or any deduction has been wrongly made therefrom he may, at any time within eight years of the end of the aforesaid period, serve on the dealer liable to pay the tax in respect of such turnover a notice containing all or any of the requirements which may be included in a

1. Substituted *vide* Nagaland Act 3 of 1971 for "date of issue".

2. Inserted *vide* Nagaland Act 3 of 1971.

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notice under sub-section (2) of section 15 or sub-section (2) of section 16 and may proceed to assess or re-assess the dealer in respect of such period and the provision of this Act shall apply accordingly as if the notice were a notice served under the aforesaid sub-section:

Provided that the tax shall be charged at the rate at which it would have been ordinarily chargeable.

[Provided further that before making an assessment under this sub-section, the Commissioner shall give notice to the dealer of his intention so to do and allow him a reasonable opportunity of being heard.]¹

(2) The Commissioner may authorise any person appointed under section 3 to assist him in investigating any case or appoints in a case at any stage to make a report thereon to the Commissioner or any prescribed authority in respect of all or any of the assessments made in relation to the case in order to prevent the evasion of tax. After considering the report of the investigating officer the Commissioner may proceed to take action under sub-section (1) besides initiating any other action under this Act against the dealer concerned.

Restriction on movement.—20. No person shall take delivery or transport from any railway station, airport, post office or any other place whether of similar nature or otherwise notified in this behalf by the State Government, any consignment of goods the sale of which is taxable under this Act, exceeding such quantities and except in accordance with such conditions as may be prescribed. Such conditions shall be made with a view to ensure that there is no evasion of the tax imposed by this Act.

Rectification of Assessment.—21. (1) The authority which made an assessment or passed an order on appeal or revision in respect thereof may, at any time within eight years from the date of such assessment or order and of its own motion, rectify any mistake apparent from the record of the case, and shall, within the like period, rectify any such mistake as has been brought to its notice by a dealer:

Provided that no such rectification shall be made having the effect of enhancing the assessment unless the authority concerned has given notice

1. Inserted *vide* Nagaland Act 3 of 1971.

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to the dealer of its intention so to do and has allowed him a reasonable opportunity of being heard.

(2) Where any such rectification has the effect of reducing the assessment, a refund shall be due to the dealer.

(3) Where any such rectification has the effect of enhancing the assessment, a notice of demand shall be issued for the sum payable.

Penalty for concealment of turnover and evasion of Tax.—22. (1) If the Commissioner, in the course of any proceeding under this Act, is satisfied that any dealer:—

(a) has without reasonable cause, failed to furnish the return which he was required to furnish under section 15 or section 18 or has, without reasonable cause, failed to furnish it within the time allowed and in the manner required, or

(b) has, without reasonable cause, failed to comply with a notice under sub-section (2) of section 16, or

(c) has concealed the particulars of his turnover or deliberately furnished inaccurate particulars of such turnover, or

(d) has evaded in any way the liability to pay tax, he may direct that such dealer shall pay by way of penalty, in addition to the tax payable by him, a sum not exceeding one and a half times that amount.

(2) No order under sub-section (1) shall be made unless a dealer has been heard or has been given a reasonable opportunity of being heard.

(3) No penalty under this section shall be imposed by an officer appointed to assist the Commissioner without the previous sanction of the Commissioner.

Assessment not to bar prosecutions or penalties.—23. Any assessment made under this act shall be without prejudice to any prosecution or penalty instituted or imposed under the provisions of this Act.

Tax of deceased payable by representative.—24. (1) Where a dealer dies after assessment but before payment of the tax his executor, administrator

or other legal representative shall be liable to pay, out of the estate of the deceased to the extent to which it is capable of meeting the charge, the tax assessed as payable by such dealer.

(2) Where a dealer dies without having furnished the return required by section 15 or after having furnished the return but before assessment, the Commissioner may proceed to make an assessment and determine the tax payable by the deceased; and for this purpose he may require the executor, administrator or other legal representative, as the case may be, of the deceased to perform all or any of the obligations which he might, under the provisions of this Act, have required the deceased to perform. The tax thus determined shall be payable by the executor, administrator or other legal representative of the deceased to the extent to which the estate of the deceased is capable of meeting the charge.

Assessment and recovery of Tax on transfer of business.—25. (1) Where the ownership of the business of a dealer liable to pay tax or other amount is transferred, any tax or other amount payable under this Act in respect of such business and remaining unpaid at the time of the transfer and any tax or other amount due upto the date of transfer though unassessed may, without prejudice to any action that may be taken for its recovery from the transferor, be recovered from the transferee as if he were the dealer liable to pay such tax or other amount:

Provided that the recovery from the transferee of the arrears of taxes due for the period prior to the date of the transfer shall be limited to the value of the assets he obtained by transfer.

(2) Notwithstanding anything contained in this Act, if it appears to the Commissioner during any current return period that any dealer is likely to change, sell, transfer, dispose of or otherwise part with any of his assets with a view to avoiding payment of any liability under the provisions of this Act, the net turnover of such dealer for the period from the expiry of the previous return period to the date when the Commissioner commences proceeding under this section shall be chargeable to tax in that period.

(3) For the purpose of making an assessment under sub-section (2) the Commissioner may serve a notice upon such dealer requiring him to furnish within such period as may be specified in the notice, a return in the manner and form in which a return under section 15 is furnished.

(4) [The transferee shall, within ninety days of such transfer, apply for registration under section 9 and thereafter all the provisions of this Act shall apply to such transferee.]¹

Liability of guardian, trustee, etc.—26. Where the business in respect of which tax is payable under this Act is carried on by, or is in charge of, any guardian, trustee or agent of a minor or other incapacitated person on behalf of, and for the benefit of, such minor or other incapacitated person, the tax shall be levied upon and recoverable from such guardian, trustee or agent as the case may be, in like manner and to the same extent as it would be leviable upon and recoverable from any such minor or other incapacitated person, if he were of full age and sound mind and if he was conducting the business himself; and all the provisions of this Act shall apply accordingly.

Liability of Courts of Wards, etc.—27. Where the estate or any portion thereof of a dealer owning a business in respect of which tax is payable under this Act is under the control of the Court of Wards, the Administrator-General, the Official trustee or any Receiver or Manager (including any person, whatever his designation, who in fact manages the business) appointed by, or under any order of a Court of Wards, Administrator-General, Official Trustee, Receiver or manager in like manner and to the same extent as it would be leviable upon and recoverable from the dealer if he was conducting the business himself; and all the provisions of this Act shall apply accordingly.

Liability of Agent of Non-resident.—28. Where the business in respect of which tax is payable under this Act is owned by a non-resident person, the tax shall be levied upon and recoverable from the agent of such non-resident person in like manner and to the same extent as it would be leviable upon and recoverable from the owner if he was resident in the State and conducting the business therein; and all the provisions of this Act shall apply accordingly.

Liability in case of discontinued firm or association.—29. Where business carried on by a firm or an association of persons, other than a company as defined in the Indian Companies Act, 1956 and in respect of which tax is payable under this Act, is discontinued or the association of

1. Inserted vide Nagaland Act 3 of 1971.

persons is dissolved, the tax shall be levied upon and recovered from, jointly and severally, every person who at the time of such discontinuance or dissolution as a partner of such firm or member of such association; and all the provisions of the Act shall apply accordingly.

Liability to tax on cancellation of certificate or dissolution of a firm or association.—30. (1) When a certificate of registration is cancelled under sub-section (3) of section 12 in any case other than that of a dissolution of a firm or association of persons, the dealer shall be liable to pay tax on his stock of goods remaining unsold at the time of cancellation of the certificate and all the provisions of this Act shall apply accordingly.

(2) In case of dissolution of a firm or association of persons, the tax on the stock of goods remaining unsold at the time of such dissolution, shall be levied upon and recovered from, jointly and severally, every person who at the time of such dissolution was a partner of such firm or member of such association; and all the provisions of this Act shall apply accordingly.

Appeal.—31. (1) Any dealer objecting to an order of assessment or penalty passed under this Act, may, within thirty days from the date of the service of such order, appeal to the prescribed authority, against such assessment of penalty :

Provided that no appeal shall be entertained by the said authority unless he is satisfied that the amount of tax assessed or the penalty levied, if not otherwise directed by him, has been paid :

Provided further that the authority before whom the appeal is filed may admit it after the expiration of thirty days, if such authority is satisfied that for reasons beyond the control of the appellant or for any other sufficient cause it could not be filed within time.

(2) Every appeal under sub-section (1) shall be presented in the prescribed form and shall be verified in the prescribed manner.

(3) The appellate authority shall fix a day and place for hearing of the appeal, and may, from time to time, adjourn the hearing and make, or cause to be made, such further enquiry as may be deemed necessary.

(4) In disposing of an appeal under sub-section (1) the Appellate Authority may—

- (a) confirm, reduce, enhance or annul the assessment, or
- (b) set aside the assessment and direct a fresh assessment after such enquiry as may be ordered, or
- (c) confirm, reduce or annul the order of penalty.

Revision by Commissioner.—32. (1) The Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any person appointed under section 3 to assist him is erroneous in so far as it is prejudicial to the interests of the revenue, he may, after giving the dealer an opportunity of being heard and after making or causing to be made such enquiry as he deems necessary, pass such orders thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or cancelling the assessment, and directing a fresh assessment.

(2) In the case of any order other than an order to which sub-section (1) applies passed by any person appointed under section 3 to assist him, the Commissioner may, either of his own motion or on a petition, by a dealer for revision, call for the record of any proceeding under this Act in which any such order has been passed and may make such enquiry or cause such enquiry to be made, and subject to the provisions of this Act, may pass such order thereon, not being an order prejudicial to the dealer as he thinks fit.

(3) In the case of a petition for revision under sub-section (2) by a dealer, the petition must be made within ninety days from the date on which the order in question was communicated to him or the date on which he otherwise came to know of it, whichever is earlier :

Provided that the Commissioner before whom the petition is filed may admit it after the expiration of the period of ninety days if he is satisfied that for reasons beyond the control of the petitioner or for any other sufficient cause, it could not be filed within time.

(4) The Commissioner shall not revise any order under this section in the following cases :—

- (a) Where an appeal against the order lies under section 31 or section 33 but has not been made and the time within which such appeal may be made has not expired ; or

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- (b) Where the order is pending on appeal under section 31 or section 33.

Explanation.—An order by the Commissioner declining to interfere shall, for the purpose of this section, be deemed not to be an order prejudicial to the dealer.

Appeal to State Government.—33. (1) Any dealer by an order passed in appeal under section 31 or passed in revision under sub-section (1) of section 32 may appeal to the State Government within sixty days of the date on which such order is communicated to him.

(2) The State Government may admit an appeal after the expiration of the sixty days referred to in sub-section (1) if it is satisfied that for reasons beyond the control of the appellate or for any other sufficient cause it could not be filed within time.

(3) An appeal to the State Government shall be in the prescribed form and shall be verified in the prescribed manner, and shall be accompanied by a fee of twentyfive rupees.

(4) The State Government may, after giving the dealer an opportunity of being heard, pass such orders thereon as it thinks fit, and shall communicate any such orders to the dealer and to the Commissioner.

Reference—34. (1) Within sixty days from the date of service of any order under section 33, the dealer may, by petition in writing, require the State Government to refer to the High Court any question of law arising out of such order of the State Government or the State Government may make such reference out of its own motion. Where the petition is made by a dealer it shall be accompanied by a fee of one hundred rupees.

(2) Within sixty days of the receipt of the petition under sub-section (1), the State Government shall, subject to the provisions in sub-section (3), draw up, after such hearing and enquiry as may be considered necessary, a statement of the case and refer it with its opinion thereon to the High Court.

(3) The State Government may reject the application under sub-section (1) and refuse to state the case on the ground that it is time barred or

otherwise incompetent, or that no question of law arises and the applicant may, within thirty days of such refusal, withdraw the application and if he does so, the fee paid shall be refunded.

(4) Where the application under sub-section (1) is rejected on the ground that no question of law arises and where no action is taken by the applicant under sub-section (3), he may, within ninety days from the date of such rejection, apply to the High Court against the order rejecting the application, and if, upon receipt of such an application, the High Court is not satisfied with the correctness of the decision, it may require the State Government to state the case and refer it and, on receipt of any such requisition, the State Government shall state and refer the case accordingly.

(5) Where the application under sub-section (1) is rejected on the ground that it is time barred and where no action is taken by the applicant under sub-section (3) he may, within ninety days of the date of such rejection, apply to High Court against the order rejecting the application and if, upon receipt of such an application the High Court is not satisfied with the correctness of the decision it may require the State Government to treat the application under sub-section (1) as made within time.

(6) Where the High Court is not satisfied that the statement in a case referred under this section is sufficient to enable it to determine the question of law raised thereby, it may refer the case back to the State Government to make such additions thereof or such alterations therein as may be directed and the State Government shall thereupon comply, with the directions and re-submit the case accordingly.

(7) The High Court upon the hearing of any such case shall decide the question of law raised thereby, and shall deliver its judgment thereon containing the grounds on which such decision is founded, and shall send to the State Government a copy of such judgment under the seal of the Court and signature of the Registrar; and the State Government shall, on receipt of the copy of the judgment, order disposal of the case accordingly.

(8) Where a reference is made on the application of a dealer the costs shall be in the discretion of the High Court.

(9) Notwithstanding that a reference has been made under this section to the High Court, payment of tax shall not be stayed pending

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disposal of such reference; but where the amount of tax is reduced as the result of the reference, excess shall be refunded in accordance with the provisions of this Act.

(10) Section 5 of Indian Limitation Act, 1908 (IX of 1908) shall apply to an application to the High Court by dealer under this section.

Notice of demand.—35. When any tax or penalty or other dues is or are payable in consequence of any order passed under or in pursuance of this Act, the Commissioner shall serve upon the persons liable to pay such tax or penalty or other dues a notice of demand in the prescribed form specifying the sum so payable.

Tax when payable.—36 (1) Tax payable under this Act shall be paid in the manner hereinafter provided.

(2) Before any registered dealer furnishes the return required by sub-section (1) of section 15, he shall in the prescribed manner, pay into a Government Treasury the full amount of tax due from him under this Act on the basis of such returns, and shall furnish along with the returns a receipt from such treasury in token of payment of such tax.

(3) Where a revised return is submitted by a registered dealer under sub-section (3) of section 15 and if the revised return shows a greater amount of tax to be due than was payable on the basis of the original return, the dealer shall pay the excess amount of tax in the manner provided in sub-section (2), and shall furnish along with the revised return a receipt in token of payment of such excess tax.

(4) The amount of the tax due under provision of this Act—

(a) in excess of payment already made under sub-section (2) and (3), or

(b) Where no payment has been made,

shall be paid by the dealer by such date as may be specified in the notice of demand and, where no such date is specified it shall be paid within thirty days from the date of service of the notice.

Collection of Tax by dealers.—37. No person who is not a registered dealer shall realise any amount by way of tax under this Act on

sales of goods from the purchasers. Without prejudice to the provisions of sub-section (2) of section 42, the amount realised by any person as tax on sales of any goods shall, notwithstanding anything contained in any other provision of this Act, be deposited by him in a Government Treasury within such period as may be prescribed, if the amount payable as tax in respect of those sales or if no tax is payable in respect thereof, and in default of such payment, double the amount shall be recovered as a public demand under the Bengal Public Demands Recovery Act, 1913 (3 of 1913).

Other dues when payable.—38. Any dues, other than the amount of tax payable under this Act, shall be paid by the person concerned by such date as may be specified, in the notice of demand and where no such date is specified, it shall be paid within thirty days from the date of the service of the Notice.

Mode of recovery.—39. (1) If the demand in respect of any dues under this Act is not paid on or before the date specified as aforesaid the dealer shall be deemed to be in default :

Provided that the Commissioner may in respect of any particular dealer and for reasons to be recorded in writing extend the date of payment of the dues or allow such dealer to pay the same by instalment and in that case the dealer shall not be deemed to be in default.

(2) Where a dealer is in default, the Commissioner may, in his discretion, direct that, in addition to the amount due, a sum not exceeding that amount shall be recovered from the defaulter by way of penalty.

(3) Where a dealer is in default, the Commissioner may order that the amount due shall be recoverable as a public demand under the Bengal Public Demands Recovery Act, 1913 and may proceed to realise the such amount due.

Refund.—40. The Commissioner shall, in the prescribed manner, refund to a dealer any sum paid by such dealer in excess of the sum due from him under this Act, either by cash payment or at the option of the dealer by set-off against the sum due from him in respect of any other period.

Remission.—41. The State Government, for reasons to be recorded in writing may remit the whole or part of the amount of the tax or penalty

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payable in respect of any period by any registered dealer who has suffered heavy loss due to any natural calamity.

Offences and penalties.—42. Whoever :—

- (1) carries on business as a dealer or acts in contravention of any of the provisions of this Act; or
- (2) fails, without reasonable cause, to submit in due time any return as required by or under the provisions of this Act, or submits a false return; or
- (3) being a registered dealer, falsely represents, when purchasing any class of goods that goods of such class are covered by his certificate of registration; or
- (4) not being a registered dealer, falsely represents when purchasing goods, that he is a registered dealer; or
- (5) fails, when required by or under the provisions of this Act, to keep accounts or records of sales; or
- (6) fails, where required by or under the provisions of this Act, to produce any accounts, evidence or documents or to furnish any information; or
- (7) fails or neglects to comply with any requirement made of him under the Provisions of this Act; or
- (8) knowingly produces incorrect accounts, registers or documents or, knowingly furnishes incorrect information; or
- (9) fraudulently or wilfully evades the payment of any tax due under this Act or conceals his liability to such tax; or
- (10) fails to pay within the time allowed any tax assessed or any penalty levied on him; or
- (11) prevents or obstructs inspection or entry by any officer acting under the provisions of this Act; or

- (12) prevents or obstructs any officer incharge of a checkpoint or barrier from making any entry or inspection of goods or in intercepting, detaining or searching any vehicle carrying goods; or
- (13) demands or charges from any purchaser sales tax as such on the sales of any goods exempted under section 7 and section 8 or under any notification issued thereunder or at a rate higher than payable under the provisions of this Act;

shall, on conviction before a magistrate and in addition of any tax or penalty or both that may be due from him, be punishable with imprisonment which may extend to six months or with fine not exceeding one thousand rupees or with both, and when the offence is a continuing one with a daily fine not exceeding fifty rupees during the period of the continuance of the offence.

False statement in declaration.—43. Whoever makes a statement in a verification or declaration in connection with any proceedings under this Act which is false, and which he either knows or believes to be false, or does not believe to be true, shall on conviction before a Magistrate, be punishable with simple imprisonment which may extend to six months or with fine which may extend to one thousand rupees, or with both.

Cognizance of offences.—44. (1) No Court shall take cognizance of any offence under this Act or under the rules made thereunder except with the previous sanction of the Commissioner, and no Court inferior to that of a Magistrate of the first class shall try any such offence.

(2) All offences punishable under this Act shall be cognizable and bailable.

Composition of offences.—45. (1) Subject to such conditions as may be prescribed, the Commissioner may, either before or after institution of criminal proceedings under this Act, accept from the person who has committed or is reasonably suspected of having committed an offence under this Act or the rules made thereunder, by way of composition of such offence—

- (a) where the offence consists of the failure to pay, or the evasion of any tax recoverable under this Act in addition to the tax so recoverable, a sum of money not exceeding one thousand

rupees or double the amount of the tax recoverable, whichever is greater, and

- (b) is any other case a sum of money not exceeding one thousand rupees in addition to the tax recoverable.

(2) On payment of such sum as may be determined by the Commissioner under sub-section (1) no further proceeding shall be taken against the person concerned in respect of the same offence.

Disclosure of information by a public servant.—46. (1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any evidence given or affidavit or deposition made in the course of any proceedings under this Act other than proceedings before a Criminal Court or in any record of any proceedings under this Act, shall, save as provided in sub-section (3), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872, no Court shall, save as aforesaid, be entitled to require any public servant to produce before it any such statement, return, accounts document or record or any part thereof, or to give evidence before it in respect thereof.

(2) If, save as provided in sub-section (3), a public servant discloses any of the particulars referred to in sub-section (1), he shall be punishable with imprisonment which may extend to six months and shall also be liable to fine.

(3) Nothing in this section shall apply to the disclosure—

- (a) of any of the particulars referred to in sub-section (1) for the purpose of a prosecution under the Indian Penal Code, 1860, or the Prevention of Corruption Act, 1947 in respect of any such statement, return, accounts, documents or evidence or for the purpose of a prosecution under this Act, or
- (b) of such facts, to an officer of the Central Government as may be necessary for the purposes of enabling that Government to levy or realise tax imposed by it, or
- (c) of such facts, to any officer of this or any other State Government

as may be necessary for the purpose of enabling such officer to levy or realise any tax imposed by that Government.

Maintenance and preservation of accounts.—47. (1) Every registered dealer or other dealer on whom a notice has been served to furnish returns under sub-section (2) of section 15, shall keep a true account of the goods bought and sold by him, and if the accounts, maintained in the ordinary course do not, in the opinion of the Commissioner, enable him to apply a proper check on the returns furnished under the provisions of this Act, he may by notice in writing, require such dealer to keep such accounts (including records of sales) in such form as he may, subject to anything that may be prescribed direct.

(2) Accounts referred to in sub-section (1) together with all vouchers relating to stocks, delivery, purchases, output, and sales shall be preserved for such period as may be prescribed.

Owner to order production of accounts and power of entry and inspection.—48. (1) Subject to such conditions and restrictions as may be prescribed, the Commissioner may, for the purposes of this Act, require any dealer to produce before him any accounts, registers or documents, and to furnish any information relating to the stocks of goods of or purchases, sales and deliveries of goods, by the dealer.

(2) All accounts, registers and other documents relating to the stocks of goods of, or purchases, sales or deliveries of goods by, any dealer, the goods in his possession and his offices, shops, godowns and vehicles shall, at reasonable times, be open to inspection by the Commissioner.

(3) If the Commissioner has reason to suspect that any dealer is attempting to evade payment of any tax under this Act, he may, for reasons to be recorded in writing seize such accounts, registers or documents of the dealer as may be necessary, and shall grant a receipt for the same, and shall retain the same only for so long as may be necessary for the purposes of this Act.

(4) The Commissioner may, for the purposes of the sub-section (2) or sub-section (3), enter and search any such place as is mentioned in sub-section (2) on the authority of a search warrant issued by a Magistrate.

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(5) The provisions of section 102 and section 103 of the Code of Criminal Procedure, 1898, shall, so far as may be, apply to searchers under sub-section (4).

Power to call for information—49. The Commissioner may, for the purposes of this Act;

(1) require any firm or association of persons or Hindu undivided or joint family to furnish him with a statement of the names and addresses of the members of the firm or association or of the names and addresses of the manager and members of the family, as the case may be;

(2) require any person whom he has reason to believe to be a trustee, guardian, manager or agent to furnish him with a statement of the names of persons with their addresses for or of whom he is a trustee, guardian, manager or agent;

(3) require any person whom he has reason to believe to have obtained goods from outside the State to furnish him with statement of the names of the persons with their addresses from whom he has obtained the goods and of the names and prices of goods obtained;

(4) require any person whom he has reason to believe to have despatched goods to any place outside the State to furnish him with a statement of the names of persons with their addresses to whom he has despatched the goods and of the names and prices of goods despatched.

(5) require any person, including a Banking Company or any officer thereof, to furnish any such particulars in respect of the transactions of any dealer with such bank, which during the course of its business handles or transport goods liable to tax under this Act.

Bar of suits in Civil Court and Indemnity.—50. No suit shall be brought in any Civil Court to set aside or modify any assessment made or order passed under the provisions of this Act, and no prosecution, suit or other proceeding shall lie against any officer of the Government or anything in good faith done or intended to be done under this Act or the rule made thereunder.

Power to take evidence on oath, etc.—51. The Commissioner shall, for the purposes of this Act have the same powers as are vested in a Deputy

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Commissioner under the Rules for the Administration of Justice and Police in the Naga Hills District, 1937, when trying a suit, in respect of the following matters—

(1) enforcing the attendance of any person and examining him on oath or affirmation;

(2) compelling the production of document;

(3) issuing commissions for the examination of witness, and any such proceeding before the Commissioner shall be deemed to be a "Judicial proceeding" within the meaning of sections 193 and 228 and for the purposes of section 196 of Indian Penal Code, 1960, (XLV of 1860).

Computation of the period of Limitation.—52. In computing the period of limitation prescribed for an appeal or a revision or references, the day on which the order complained of was made and the time requisite for obtaining a copy of such order, shall be excluded.

Information to be furnished regarding change of business.—53. (1) If any dealer to whom the provisions of section 15 apply—

(a) sells or otherwise transfers or disposes of his business or any part thereof; or

(b) discontinues his business or changes his place of business or opens a new place of business; or

(c) changes the name or nature of his business; he shall, within such period as may be prescribed inform the authority accordingly.

(2) Where any dealer as aforesaid dies, his successor or legal representative shall furnish the information in the like manner.

Service of notices.—54. (1) A notice or requisition under this Act may be served on person therein named either by post or, as if it were a summons issued by a Court.

(2) Any such notice or requisition may, in the case of a firm or Hindu undivided or joint family, be addressed to any member of the firm or to the

manager, or any adult member of the family and, in the case of any other association of persons be addressed to the principal officer thereof.

Delegation of Commissioner's powers.—55. The Commissioner may, subject to such restrictions and conditions as may be prescribed, delegate by notification in the Official Gazette, any of his powers under section 3 to assist him.

Power to remove difficulties.—56. If any difficulty arises in giving effect to the provisions of this Act, the State Government, may, as occasion may require, by order do anything, not inconsistent with the purposes of this Act, as appear to them to be necessary or expedient for removing the difficulty.

Power to make rules.—57. (1) The State Government may, subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may in particular, prescribe—

- (a) all matters expressly required or allowed by this Act to be prescribed;
- (b) the classes and duties of officers appointed for the purpose of enforcing the provisions of this Act;
- (c) the procedure to be followed and the forms to be adopted in proceedings under this Act;
- (d) the proportion referred to in sub-clause (b) of clause (12) of section 2;
- (e) the intervals at which, and the manner in which, the tax under this Act shall be payable;
- (f) the dates by which, and the authority to which returns shall be furnished;
- (g) the manner in which refunds shall be made;
- (h) the classes of and the authority for determination and settlement of disputes;

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(i) the fees for reference, revision or appeal petitions, supply of certified copies of order and other matters; and

(j) any other matter which is required to be or may be prescribed.

(3) In making any rule the State Government may direct that a breach thereof shall be punishable with fine not exceeding five hundred rupees, and when the offence is a continuing one, with a daily fine not exceeding twentyfive rupees during the continuance of the offence.

(4) Every rule made under this section shall be laid, as soon as may be after it is made, before the Nagaland Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following the Nagaland Legislative Assembly agree in making and modification in the rule or the Nagaland Legislative Assembly agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Refund on Inter-State Trade—58. Notwithstanding anything contained in the Act, where a tax has been levied in respect of the sale inside the State of any declared goods and such goods are sold in the course of inter-State trade or commerce, the tax so levied shall be refunded.

Erection of check Posts—59. (1) The State Government may, by notification set up and erect, in such manner as may be prescribed, check posts and barriers at any place in the State with a view to preventing the evasion of tax payable under this Act.

(2) Every person transporting goods shall, at any check post or barrier, set up and erected in accordance with sub-section (1) and before crossing such check post or barrier, file before the officer-in-charge of the check post or barrier, if so directed by him, a correct and complete declaration of the goods in such form and in such manner as may be prescribed.

(3) The officer-in-charge of the check post or barrier may for the purpose of satisfying himself that the provisions of sub-section (2) are not being

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contravened and subject to such restriction as may be prescribed intercept, detain and search any vehicle which may be suspected of being used for contravening such provisions.

Repeal—60. *The Assam Sales Tax Act 1947 (Assam Act XVII of 1947) as extended to Nagaland shall stand repealed:*

Provided that such repeal shall not affect—

- (a) the previous operation of the said Act or any thing duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid :

Provided further that anything done or any action taken (including any appointment or delegation made, instruction or direction made, certificate or registration granted) under the Act hereby repealed shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under this Act.

[Repeal and Savings—61. (1) *The Nagaland Finance (Sales Tax) Act, 1967 (Act X of 1967) hereinafter referred to as the said Act) is hereby repealed.*

Provided that such repeal shall not affect;

- (a) the previous operation of the said Act or anything duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under this said Act; or

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- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid :

Provided further that anything done or any action taken (including any appointment or delegation made, instruction or direction made, certificate or registration granted) under the Act hereby repealed shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue to be in force accordingly unless and until superseded by anything done or any action under this Act.

(2) Notwithstanding the repeal of the said Act by this section, the operation of the said Act before repeal for the purpose of levy, assessment and collection of sales tax shall continue to be dealt with under the said Act, as if said Act had not been repealed.

(3) The mention of particular matters in this section shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 (Act X 1897) with regard to the effect of repeal].¹

*SCHEDULE¹

(See Section 5)

A.— Goods taxable at 10 (ten) paise in the rupee.

Sl. No.	Name of taxable goods
1.	All Arms including rifles revolvers pistols and ammunition for the same.
2.	All clocks, time-pieces and watches and parts thereof.
3.	Articles made of or inlaid with ivory.

¹ Inserted *vide* Nagaland Act 3 of 1971.

* Substitute *vide* Nagaland Act 3 of 1971

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4. Binoculars, telescopes and opera glasses.
5. Carpets including durries.
6. Cigarette cases and lighters.
7. Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, lenses, films and parts or accessories required for use therewith.
8. Dictaphones and other similar apparatus for recording sound and spare parts thereof.
9. Electroplated nickel or silver or german silver goods.
10. Foam rubber products.
11. Gramophones and component parts thereof and records.
12. Iron and steel safes and almirahs.
13. Motor cycles and motor cycles combinations, motor scooters, mortorettes.
14. Motor vehicles, including chassis of motor vehicles.
15. Perambulators.
16. Photographic and other cameras and enlargers, lenses, films and plates, paper and cloth and other parts and accessories required for use therewith.
17. Precious stones including diamonds, emeralds, rubies, real pearls and sapphires, synthetic or artificial precious stones, pearls, artificial or cultured.
18. Refrigerators and air conditioning plants and component parts thereof.
19. Stainless steel products.
20. Sound transmitting equipment including telephones and loud speakers and spare parts thereof.

21. Typewriters, tabulating machines, calculating machines and duplicating machines and parts thereof.
22. Upholstered furniture, sofa sets, dressing tables and furniture of all types made of timber, iron or steel, except items 43 to 46 of Schedule II.
23. Wireless reception instruments and apparatus, radios and radio gramophones, electrical valves, accumulators, amplifiers and loud speakers and spare parts and accessories thereof.

B.—Goods taxable at 7 (seven) paise in the rupee.

1. All electrical goods, instruments, apparatus appliances and all such articles the use of which cannot be had except with the application of electrical energy, including fans, lighting bulbs, electrical earthenwares and porcelain and all other accessories and component parts either sold as whole or in parts.
2. All machineries and spare parts thereof (including spare parts of motor vehicles, motor cycles, motor scooters and motorettes but excluding sewing machine and spare parts thereof) not listed separately in this schedule.
3. Bicycles, tricycles, rickshaws and cycles combinations and accessories and parts thereof.
4. Cosmetics including scents, perfumes, powders, snows, hair oils, scented sticks, and other toilet requisites.
5. Crockery and cutlery, including knives, forks, spoons and articles made of glass, china porcelain or glazed earthenware adopted for domestic use.
6. Glassware, bottles and phials, funnels, glass part of lamps, sheets and plates, photo and other frames and mirrors.
7. 'Ladies' hand bags and other types of vanity bags.
8. Paints, colours, lacquers, and varnishes including glue, polish, turpentine, enamels and indigo and brush and sand paper.
9. Plastic, celluloid and bakelite goods.

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10. Rubber products excluding foot-wear but including tyres and tubes.
11. Vacuum flasks of all kinds.
- C.—Goods taxable at 3 (Three) paise in the rupee.
Declared goods.
- D.—Goods taxable at 1 (one) paise in the rupee.
Ready-made garments.
- E.—Goods taxable at 5 (Five) paise in the rupee.

“All other goods not mentioned elsewhere in this Schedule”.

*** SCHEDULE¹**

(See Section 8)

Sl. No.	Description of exempted articles	Conditions and exceptions subject to which exemption has been allowed
1.	All cereals, pulses and rice including broken rice, parched (beaten) and puffed rice.	
2.	(a) Plough, plough points, spade (kodali), sickle, khurpi, axe, khanda (for digging holes in the soil) and dao. (b) Other hand tools used for agricultural purposes.	When sale price does not exceed Rs. 20/- (Twenty) a piece.
3.	Books periodicals and newspapers.	

¹ Substitute vide Nagaland Act 3 of 1971

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4. Bread.
5. Betelnuts and pan leaves.
6. Cotton including waste cotton.
7. Electrical energy.
8. Fertilizers, viz.
 - (a) All Chemical fertilizers
 - (b) Bone meal
 - (c) Oil cakes
9. Fish, eggs, ghee (but not vegetable ghee), dehi, dutter, cream, casein meat and vegetables (but not onion, garlic, spices and condiments) Except when sold in sealed containers.
10. Flour including atta, maida, suji and bran.
11. Fresh fruits.
12. Gur and molasses
13. (i) Antimalarial drugs viz quinine in powder form, quinine pills (but not sugar coated), quinine alkaloids, salts of quinine, cinchona and its alkaloids, tataquine, cinchona forifuge and drugs of the 4 aminoquinoline group such as chloroquine and its salts, amodiaquine and its salts whether in

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solution or in powder or in tablet form, proguanil and its salts and pyrimethamine.

(ii) Anti-kala-azar drugs, viz. Urea Stibamine and Pentamidine Isethioate.

(iii) Vaccine, viz. Small-pox vaccine, Cholera vaccine and T.A.B.

14. Mustard oil, rape oil and mixtures of mustard and rape oils.

15. Mustard seed and rape seed

16. Sago.

17. Salt.

18. Water (other than distilled, aerated or mineral water).

19. Milk.

Except when sold in sealed containers.

20. Firewood.

21. Mathematical instruments for students.

22. (a) Sales to the Canteen Stores Department (India) of goods certified by it as being intended for being sold directly or through Canteens to members of the Armed Forces of India at

prices fixed by the Government of India.

- (b) Sales by the Canteen Stores Department (India) to dealers certified by the Department to be Canteen Contractors or to the Unit Canteens run by the Officers of the Armed Forces of India of goods which are intended for being sold to members of the Armed Forces of India at prices fixed by the Government of India.
- (c) Sales by dealers certified by the Canteen Stores Department (India) to be Canteen Contractors of goods obtained by such dealers from the said Canteen Stores Department (India) to members of the Armed Forces of India at prices fixed by the Government of India.
- (d) Sales by Unit Canteens run by Officers of the Armed Forces of India of goods obtained by such Unit Canteens from the Canteen Stores Department (India), to members of the Armed Forces of India at prices fixed by the Government of India.

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(e) Sales by the Canteen Stores Department (India) to members of the Armed Forces of India, at prices fixed by the Government of India.

23. Slate and Slate pencils.

24. Pencils, paper, blotting paper, ink, inkpot, penholder, nib, and eraser purchased for use by students.

25. Scale, colour box, painting box, school-map, exercise book and drawing book.

26. Grass used as Cattle fodder only.

27. Handspun cotton yarn.

28. Handloom cloth woven out of handspun cotton yarn.

29. Mill-made cotton yarn excluding sewing thread.

30. All varieties of textiles, namely:—

Cotton, woollen or silken including rayon, art silk or nylon whether manufactured by hand-loom, power-loom or otherwise.

31. Sugar.

32. Tobacco and all its products.

NAGALAND ACT 11 OF 1967

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33. Ayurvedic medicines other than patent drugs or sold under registered trade mark.
34. Raw jute.
35. Sugarcane.
36. Khadi and/or products of village industries as defined in the Khadi and Village Industries Commission's Act, 1956.
37. Nirodh (Condoms).
38. Sales to Red Cross Society and its allied organisations.
39. Pesticides.
40. Gunny bags.
41. Livestock and poultry.
42. Sales of goods by Government departments at or below purchase price.
43. Wooden table.
- When sold by a producer and/or organisation certified for the purpose by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission's Act, 1956 or the Statutory State Khadi and Village Industries Board constituted under the Act of the State.
- When used as containers of goods sold.
- When sold in connection with approved development schemes.
- When sale price does not exceed rupees fifty a piece.

NAGALAND CODE

44. Wooden chair.

45. Wooden bench.

46. Wooden bedstead.

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When sale price does not exceed rupees thirty a piece.

When sale price does not exceed rupees thirty a piece.

When sale price does not exceed rupees eighty a piece."

THE NAGALAND SALES TAX (AMENDMENT) ACT, 1970

(THE NAGALAND ACT NO. 3 OF 1971)

(Received the assent of the Governor on the 23rd January 1971 and published in the Nagaland Gazette Extra Ordinary dated 13th February, 1971)

An

Act

to amend the Nagaland Sales Tax Act, 1967 and to consolidate the law on Sales Tax in Nagaland.

Preamble.

Whereas it is expedient to amend the Nagaland Sales Tax Act, 1967 (Act No. 2 of 1967) and to consolidate the law on sales tax in Nagaland in the manner hereinafter appearing.

It is hereby enacted in the Twenty first year of the Republic of India as follows :—

1. Short title, extent and commencement.

- (1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1970.
- (2) It extends to the whole of Nagaland.
- (3) It shall come into force on such date as the State Government may, by notification in the official Gazette appoint, and different dates, may be appointed for different provision of this Act or for different areas.

2. Amendment of Section 6.

In the Nagaland Sales Tax Act, 1967 (hereinafter referred to as the Principal Act) Section shall be renumbered as sub-section (1) thereof and after sub-section (1) as so the following sub-section shall be inserted, namely :—

- “(2) Where the total tax payable by a dealer as per sub-section (1) contains fraction of a rupee :
- (a) in case the fraction is below 50 (fifty) paise is shall be omitted.
 - (b) in case the fraction is 50 (fifty) paise and above it shall be rounded to the next higher rupee.

3. Amendment of Section 7.

In section 7 of the Principal Act, sub-section (2) shall be omitted (Act No. 11 of 1967).

4. Amendment of Section 12.

To sub-section (2) of Section 12 of the Principal Act, the following proviso shall be added namely :—

“Provided that no action under this sub-section shall be taken unless the Commissioner has given notice to the dealer of his intention so to do and has allowed him a reasonable opportunity of being heard”.

5. Amendment of Section 14.

In sub-section (3) of section 14 of the principal Act, after item (a) the following item shall be inserted, namely :—

“(aa) goods taxed at the rate of seven paise in the rupee (6.54 per centum)”

6. Amendment of Section 15.

In sub-section (2) of section 15 of the principal Act, for the words “in the year” the words “at any time within eight years of the end of the aforesaid period” shall be substituted.

7. Amendment of Section 17.

In section 17 of the principal Act for the words “date of issue,” the words “date of service” shall be substituted.

8. Amendment of Section 18.

In section 18 of the principal Act, after the proviso, the following further proviso, shall be added, namely :—

“Provided further that before, making an assessment under this section, the Commissioner shall give notice to the dealer of his intention so to do and allowed him a reasonable opportunity of being heard”.

9. Amendment of Section 19.

In sub-section (1) of section 19 of the principal Act, after the proviso, the following further proviso shall be inserted, namely:—

“Provided further that before making an assessment under this subsection, the Commissioner shall give notice to the dealer of his intention so to do and allow him a reasonable opportunity of being heard.”

10. Amendment of Section 25.

In Section 25 of the principal Act after sub-section (3) the following sub-section shall be inserted, namely :—

“(4) The transferee shall, within ninety days of such transfer, apply for registration under section 9 and thereafter all the provisions of this Act shall apply of such transferee.”

11. Insertion of Section 61.

After section 60 of the principal Act, the following section shall be inserted, namely :

Repeal and Savings.

61. (1) The Nagaland Finance (Sales Tax) Act, 1967 (Act X of 1967) (hereinafter referred to as the Principal Act) is hereby repealed :—

• Provided that such repeal shall not effect

- (a) the previous operation of the said Act or anything duly done or suffered thereunder; or
- (b) any right, privilege obligation or liability acquired accrued or incurred under the said Act; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Act; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid :

Provided further that anything done or any action taken (including any appointment or delegation made, instruction or direction made, certificate of registration granted) under the Act hereby repealed shall be deemed to have been done or taken under the corresponding provision of this Act and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under this Act.

(2) Notwithstanding the repeal of the said Act by this section, the operation of the said Act before repeal for the purpose of levy, assessment and collection of Sales tax shall continue to be dealt with under the said Act, as if the said Act had not been repealed.

(3) The mention of particular matters in this section shall not be held to prejudice or effect the general application of section 6 of the General Clauses Act, 1897, (Act X of 1897) with regard to the effect of repeal.

12. Substitution of Schedule I & Schedule II.

For Schedule I and Schedule II of the principal Act the following schedules shall be substituted namely :—

SCHEDULE-I

(See Section 5)

A. Goods taxable at 10 (ten) paise in the rupee

Sl. No.	Name of taxable goods
1.	All Arms including rifles, revolvers, pistols and ammunition for the same.
2.	All clocks, time-pieces and watches and parts thereof.
3.	Articles made of or inlaid with ivory.
4.	Binoculars, telescopes and opera glasses.
5.	Carpets including durries.
6.	Cigarette cases and lighters.
7.	Cinematographic equipment including cameras, projectors and sound recording and reproducing equipment, lenses, films and Parts or accessories required for use therewith.
8.	Dictaphones and other similar apparatus for recording sound and spare parts thereof.
9.	Electroplated nickel or silver or german silver goods.
10.	Foam rubber products.
11.	Gramophones and component parts thereof and records.
12.	Iron and Steel safes and almirahs.
13.	Motor cycle and motor cycle combinations, motor scooters, motorettes.
14.	Motor vehicles, including chassis of motor vehicles.
15.	Perambulators.
16.	Photographic and other cameras and enlargers, lenses, films and plates paper and cloth and other parts and accessories required for use therewith.
17.	Precious stones including, diamonds, emeralds, rubies, real-pearls sapphires, synthetic or artificial precious stones, pearls, artificial or cultured.

18. Refrigerators and air conditioning plants and component parts thereof.
19. Stainless steel products.
20. Sound transmitting equipment including telephones and loudspeakers and spare parts thereof.
21. Typewriters, tabulating machines, calculating machines and duplicating machines and parts thereof.
22. Upholstered furniture sofa sets, dressing tables, and furniture of all types made of timber, iron or steel, except items 43 to 46 of schedule II.
23. Wireless reception instruments and apparatus, radios and radio-gramophones, electrical valves, accumulators, amplifiers and loud speakers and spare parts and accessories thereof.

B. Goods taxable at 7 (Seven) paise in the rupee.

1. All electrical goods instruments, apparatus, appliances and all such articles the use of which cannot be had except with the application of electrical energy, including fans, lighting bulbs, electrical earthen wares and porcelain and all other accessories and component parts either sold as whole or in parts.
2. All machineries and spare parts thereof (including spare parts of motor vehicles, motor cycles, motor scooters and motorettes but excluding sewing machines and spare parts thereof) not listed separately in this schedule.
3. Bicycles, tricycles, rickshaws and cycle combinations and accessories and parts thereof.
4. Cosmetics including scents, perfumes, powders, snows, hair oils, scented sticks, and other toilet requisites.
5. Crockery and cutlery, including knives, forks, spoons and articles made of glass, china porcelain or glazed earthenware adapted for domestic use.
6. Glassware, bottles and phials, funnels, glass parts of lamps, sheets and plates, photo and other frames and mirrors.
7. Ladies hand bags and other types of vanity bags.
8. Paints, colours, lacquers, and varnishes including glue polish turpentine, enamels and indigo and brush and sand paper.
9. Plastic, celluloid and bakelite goods.
10. Rubber products excluding foot-wear but including tyres and tubes.

11. Vacuum flasks of all kinds :

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C. Goods taxable at 3 (Three) paise in the rupee.

Declared goods.

D. Goods taxable at 1 (one) paise in the rupee.

Ready-made garments.

E. Goods taxable at 5 (Five) paise in the rupee.

All other goods not mentioned elsewhere in this Schedule.

SCHEDULE-II

See Section (8)

Sl. No.	Description of articles	of exempted	Conditions and subject to which has been allowed	excep-tions exem-ption
(1)	(2)		(3)	(4)
1.	All cereals, pulses and rice including broken rice, parched (beatean) and puffed rice.			
2.	(a) Plough, plough points, spade (kodali) sickle, khurpi, axe, khanda (for digging holes in the soil) and dao.		when sale price does not exceed Rs. 20 (Twenty) a piece.	
3.	Books, periodicals and newspapers			
4.	Bread			
5.	Betelnuts and pan leaves			
6.	Cotton including waste cotton.			
7.	Electrical energy			
8.	Fertilizers viz. (a) All chemical fertilizers (b) Bone meal (c) Oil cakes			

(1)

(2)

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(3)

(4)

9. Fish, eggs, ghee (but not vegetable ghee), dahi, butter, cream, casein, meat and vegetables (but not onion) garlic, spices and condiments. Except when sold in sealed containers.
10. Flour including atta, maida, suji and bran.
11. Fresh fruits
12. Gur and molases
13. (i) Antimalarial drugs, viz. quinine in powder form, quinine pills (but not sugar coated), quinine alkaloid, salts of quinine, cinchona and its alkaloids, tataquine, cinchona fobrifuge and drugs of the 4 aminoquinoline group such as chloroquine and its salts amodiaquine and its salts whether in solution or in powder or in tablet form, progunil and its salts and pyrimethanine.
(ii) Anti-kala-azar drugs, viz. Urea Stibamine and pentamidine Isethpionate.
(iii) Vaccine, viz. Small pox vaccine, Cholera vaccine and T.A.B.
14. Mustard Oil rape oil and mixture of mustard and rape oils.
15. Mustard seed and rape seed
16. Sago
17. Salt

18. Water (other than distilled, aerated or mineral water).
19. Milk. Except when sold in sealed containers.
20. Firewood
21. Mathematical instruments for students.
22. (a) Sales to the Canteen Stores Department (India) of goods certified by it as being intended for being sold directly or through canteens to members of the Armed Forces of India at prices fixed by the Government of India.
- (b) Sales by the Canteen Stores Department (India) to dealers certified by the Department to be canteen contractors or to the Unit Canteens ran by the Officers of the Armed Forces of India of goods which are intended for being sold to members of the Armed Forces of India at prices fixed by the Government of India.
- (c) Sales by dealers certified by the Canteen Stores Department (India) to the Canteen Contractors of goods obtained by such dealers from the said Canteen Stores Department (India) to members of the Armed Forces of India at prices fixed by the Government of India.

(1)	(2)	(3)	(4)
	(d) Sales by Unit Canteens run by Officers of the Armed Forces of India of goods obtained by such unit canteens from the Canteen Stores Department (India), to members of the Armed Forces of India at prices fixed by the Government of India.		
	(e) Sales by the Canteen Stores Department (India) to members of the Armed Forces of India, at prices fixed by the Government of India.		
23.	Slate and Slate pencils.		
24.	Pencils, paper, blotting paper, ink, inkpot, penholder, nib and eraser purchased for use by students.		
25.	Scale, colour box, painting box, School map, exercise book and drawing book.		
26.	Glass used as Cattle fodder only.		
27.	Handspun cotton yarn.		
28.	Handloom cloth woven out of handspun cotton yarn.		
29.	Mill-made cotton yarn excluding sewing thread.		
30.	All varieties of textiles, namely :— Cotton, woollen or silken including rayon, art silk or nylon whether manufactured by handloom, power-loom or otherwise.		

(1)	(2)	(3)	(4)
31.	Sugar.		
32.	Tobacco and all its products.		
33.	Ayurvedic medicines other than patent drugs or sold under registered trade mark.		
34.	Raw Jute.		
35.	Sugarcane.		
36.	Khadi and/or products of village Industries as defined in the Khadi and Village Industries Commission Act. 1956.	When sold by a producer and/or organisation certified for the purpose by the Khadi and Village Industries Commission constituted under the Khadi and Village Industries Commission's Act, 1956 or the Statutory State Khadi and Village Industries Board constituted under the Act of the State.	
37.	Nirodh (Condoms).		
38.	Sales to Red Cross society and its allied organisations.		
39.	Pesticides.		
40.	Gunny bags.	When used as containers of good sold.	

(1)	(2)	(3)	(4)
41.	Livestock and poultry.		
42.	Sales of goods by Government departments at or below purchase price.	When sold in connection with approved. development schemes.	
43.	Wooden table	When sale price does not exceed rupees fifty a piece.	
44.	Wooden chair	When sale price does not exceed rupees thirty a piece.	
45.	Wooden bench	When sale price does not exceed rupees thirty a piece.	
46.	Wooden bedstead	When sale price does not exceed rupees eighty a piece.	

**The Nagaland (Sales Tax) Amendment Act, 1999
(Act No. 3 of 1999).**

[Received the assent of the Governor of Nagaland on 20th March 1999 and published in the Nagaland Gazette Extra-Ordinary dated 30th March 1999.]

An Act to further amend the Nagaland Sales Tax Act, 1967.

It is hereby enacted in the Fiftieth year of the Republic of India as follows:

1. Short title, extent and commencement.

- (1) This Act may be called the Nagaland Sales Tax (Amendment) Act, 1999.
- (2) It shall extend to the whole of Nagaland.
- (3) It shall come into force from the first day of April, 1999.

2. Amendment of Section 8 of Nagaland Sales Tax Act, 1967 (Act No. 11 of 1967).

After sub section (2) of section 8 of the Principal Act, the following new sub section shall be inserted, namely.

“3. Notwithstanding anything contained in this Act, the State Government, by a notification in the Official Gazette, may frame one or more schemes for grant of relief to any specified class for industries within the State or within any specified part of the State on or after such date as may be specified in such scheme and

producing such goods as may be specified therein by way of full or partial exemption of any tax payable under this Act on the raw materials or other inputs purchased by them within the State or on the manufactured goods sold by them within the State or in the course of inter-state trade and commerce for such period or periods as may be specified or by way of deferment of tax payable under this Act for such period as may be specified and subject to such other restrictions and conditions as may further be provided in such scheme or schemes”.

(3) Insertion of new section 59 (c)

After the existing section 59 B of the Principal Act, the following new section shall be inserted, namely :-

‘Section 59 C: Every transporter, carrier or transporting agent operating transport business in the State of Nagaland and transporting or receiving for the purpose of transportation taxable goods shall be required to obtain a certificate of registration in the prescribed manner from the Commissioner.