

**PUNJAB VIDHAN SABHA**  
**BILL NO.21-PLA-2020**  
**THE PUNJAB GOODS AND SERVICES TAX (SECOND**  
**AMENDMENT) BILL, 2020**

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BILL

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

BE it enacted by the Legislature of the State of Punjab in the Seventy-first Year of the Republic of India as follows:-

1. (1) This Act may be called the Punjab Goods and Services Tax (Second Amendment) Act, 2020. Short-title and commencement

(2) Save as otherwise provided, the provisions of this Act shall come into force on such date as the Government of Punjab may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. In the Punjab Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), in section 2, in clause (114), for sub-clauses (c) and (d), the following sub-clauses shall be substituted, namely:— Amendment in section 2 of Punjab Act 5 of 2017.

“(c) Dadra and Nagar Haveli and Daman and Diu;  
(d) Ladakh;”.

3. In the principal Act, in section 10, in sub-section (2), in clauses (b), (c) and (d), after the words “of goods”, the words “or services” shall be inserted. Amendment in section 10 of Punjab Act 5 of 2017.

4. In the principal Act, in section 16, in sub-section (4), the words “invoice relating to such” shall be omitted. Amendment in section 16 of Punjab Act 5 of 2017.

- Amendment in section 29 of Punjab Act 5 of 2017.
5. In the principal Act, in section 29, in sub-section (1), for clause (c), the following clause shall be substituted, namely:—
- “(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of section 25:”.
- Amendment in section 30 of Punjab Act 5 of 2017.
6. In the principal Act, in section 30, in sub-section (1), for the proviso, the following proviso shall be substituted, namely:—
- “Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—
- (a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;
- (b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a).”.
- Amendment in section 31 of Punjab Act 5 of 2017.
7. In the principal Act, in section 31, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:—
- “Provided that the Government may, on the recommendations of the Council, by notification,—
- (a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner, as may be prescribed;
- (b) subject to the condition mentioned therein, specify the categories of services in respect of which,—
- (i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or
- (ii) tax invoice may not be issued.”.
- Amendment in section 51 of Punjab Act 5 of 2017.
8. In the principal Act, in section 51,—
- (a) for sub-section (3), the following sub-section shall be substituted, namely:—
- “(3) A certificate of tax deduction at source shall be issued in such form and in such manner, as may be prescribed.”; and
- (b) sub-section (4) shall be omitted.
- Amendment in section 122 of Punjab Act 5 of 2017.
9. In the principal Act, in section 122, after sub-section (1), the following sub-section shall be inserted, namely:—
- “(1A) Any person who retains the benefit of a transaction covered

under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.”

10. In the principal Act, in section 132, in sub-section (1),—

Amendment in section 132 of Punjab Act 5 of 2017.

- (i) for the words “Whoever commits any of the following offences”, the words “Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences” shall be substituted;
- (ii) for clause (c), the following clause shall be substituted, namely:—  
“(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill;” and
- (iii) in clause (e), the sign and words “, fraudulently avails input tax credit” shall be omitted.

11. In the principal Act, in section 140, with effect from the 1st day of July, 2017,—

Amendment in section 140 of Punjab Act 5 of 2017.

- (a) in sub-section (1), after the words “existing law”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;
- (b) in sub-section (2), after the words “appointed day”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;
- (c) in sub-section (3), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner, as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;
- (d) in sub-section (5), for the words “existing law”, the words “existing law, within such time and in such manner, as may be prescribed” shall be substituted and shall be deemed to have been substituted; and
- (e) in sub-section (6), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner, as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted.

Insertion of section 168A of Punjab Act 5 of 2017.

12. In the principal Act, after section 168, the following section shall be inserted, namely:-

"168A.(1) Notwithstanding anything contained in this Act, the Power of Government to extend time limit in special circumstances. Government may, on the recommendations of the Council, by notification, extend the time limit specified in, or prescribed or notified under this Act in respect of actions which cannot be completed or complied with due to *force majeure*.

(2) The power to issue notification under sub-section (1) shall include the power to give retrospective effect to such notification from a date not earlier than the date of commencement of this Act.

*Explanation.*— For the purposes of this section, the expression "*force majeure*" means a case of war, epidemic, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature or otherwise affecting the implementation of any of the provisions of this Act."

Amendment in section 172 of Punjab Act 5 of 2017.

13. In the principal Act, in section 172, in sub-section (1), in the proviso, for the words "three years", the words "five years" shall be substituted.

Amendment in Schedule II of Punjab Act 5 of 2017.

14. In the principal Act, in Schedule II, in paragraph 4, the words and sign "whether or not for a consideration," at both the places where they occur, shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

Retrospective exemption from or levy or collection of state tax in certain cases.

15. (1) Notwithstanding anything contained in the Government of Punjab, Department of Excise and Taxation, notification No.S.O.16/P.A.5/2017/S.9/2017, dated the 30th June, 2017, issued on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 9 of the Punjab Goods and Services Tax Act, 2017,—

- (i) no state tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);
- (ii) state tax at the rate of six per cent, shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing

from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

16. (1) In the Government of Punjab, Department of Excise Taxation, notification No. S.O.18/P.A.5/2017/S.11/2017 dated the 30th June, 2017, issued on the recommendations of the Council, under sub-section (1) of section 11 of the Punjab Goods and Services Tax Act, 2017, in the Schedule, after S. No. 103 and the entries relating thereto, the following S. No. and the entries shall be inserted and shall be deemed to have been inserted retrospectively with effect from the 1st day of July, 2017, namely:—

(1)	(2)	(3)
"103A	26	Uranium Ore Concentrate

Amendment of notification No. S.O.18/P.A.5/2017/S.11/2017 dated the 30<sup>th</sup> June, 2017 issued under sub section (1) of section 11 of Punjab Act 5 of 2017, retro-spectively.

(2) For the purposes of sub-section (1), the State Government shall have and shall be deemed to have the power to amend the notification referred to in sub-section (1) with retrospective effect as if the State Government had the power to amend the said notification under sub-section (1) of section 11 of the said Act, retrospectively, at all material times.

(3) No refund shall be made of all such tax which has been collected, but which would not have been so collected, if the notification referred to in sub-section (1) had been in force at all material times.

**STATEMENT OF OBJECTS AND REASONS**

The Punjab Goods and Services Tax Act, 2017 (the Act) was enacted with a view to make a provisions for levy and collection of tax on *intra-State* supply of goods or services or both by the State Government . The tax payers have, over the last three years, been seeking simplification of provisons and processes under the Act to make it more user friendly.

These simplifications involve provisions related to composition levy, eligibility and conditions for taking Input Tax Credit, cancellation of registration, revocation of cancellation of registration, tax invoice, tax deduction at source, penalty and punishment for certain offences and transitional arrgangerments for Input Tax Credit.

The Punjab Goods and Services Tax (Amendment) Bill, 2020 seeks to provide for these changes so as to make the levy and collection of taxes under the GST effective and easier for the tax payers.

**AMARINDER SINGH**  
**Chief Minister, Punjab.**

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The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.  
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**CHANDIGARH**  
**THE 27th AUGUST, 2020**

**SHASHI LAKHANPAL MISHRA**  
**SECRETARY.**

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**N.B. - The above Bill was published in the Punjab Government Gazette (Extraordinary), dated the 27<sup>th</sup> August, 2020 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).**