

**Leaflet 18**

**SPECIAL RATES**

**01. WHAT ARE SPECIAL RATES UNDER APVAT ACT 2005?**

Special rate of tax will be levied on a few commodities listed in Schedule VI to the APVAT Act 2005.

**02. WHAT ARE THE GOODS LIABLE TO TAX AT SPECIAL RATES AND RATE APPLICABLE ON SUCH GOODS ?**

Following are goods and their rates of taxes:

1. Liquors	..	70%
2. Petrol other than aviation motor spirit	..	32.55%
3. Aviation motor spirit	..	32.55%
4. Aviation Turbine Fuel	..	32.55%
5. Diesel	..	21.33%

**03. CAN I CLAIM INPUT TAX CREDIT FOR THE TAX PAID ON MY PURCHASES OF SPECIAL RATE GOODS?**

No. You are not eligible to claim input tax credit of tax paid on purchase of special rate goods.

**04. WHO IS LIABLE TO PAY TAX AT SPECIAL RATES?**

The first seller of these goods in Andhra Pradesh is liable to pay. The second seller of these goods is not liable to charge and pay tax on his sales.

**05. AM I ENTITLED TO CLAIM INPUT TAX CREDIT IF I PAY TAX ON SALE OF THESE GOODS ?**

Yes. You are entitled to claim input tax credit on all your purchases except the items specified in Schedule VI and items in the negative list.

**06. HOW DO I COMPLETE MY VAT RETURN (VAT 200) IF I AM THE FIRST SELLER OF THESE GOODS ?**

You must enter the sale value of these goods in box 18(A) and the tax charged and payable in box 18(B) of VAT return. You have to enter the purchase value of these goods in Box 10(A) of VAT return. In case of purchase of other goods they should go in the respective boxes according to the tax rate(s).

**07. IF I AM A SECOND / SUBSEQUENT SELLER OF THESE GOODS, HOW DO I COMPLETE MY VAT RETURN ?**

In this case you must enter the total value of your purchases of these goods in box

10(A) of VAT 200. However you cannot enter the tax charged on these goods by your supplier in box 10(B).

In case of your sales of these goods you must enter the value of sales in box 18(A) of VAT 200. As you cannot charge any tax on sales of these goods you cannot enter tax in box 18(B) of VAT 200.

**08. IF I AM A DISTILLERY / BREWERY MANUFACTURING AND OR SELLING LIQUOR WHAT IS MY TAX LIABILITY ?**

Your sale to APBCL and Canteen Stores Department is exempted. Hence you cannot charge any tax on your sales.

**09. IF I AM A DISTILLERY / BREWERY MANUFACTURING AND OR SELLING LIQUOR, CAN I CLAIM INPUT TAX CREDIT ?**

No. You are not entitled to claim input tax credit on the sales made to APBCL. However, you can claim input tax credit for any inter state sales / exports of liquor. *(Refer Leaflet 04-C)*

**10. WHAT IF I AM A PETROLEUM COMPANY AND MAKE FIRST SALE TO ANOTHER PETROLEUM COMPANY IN ANDHRA PRADESH ?**

In this case your sale shall not be deemed to be first sale in the State and you are not liable to pay any tax. Such sales are specified under Schedule VI to APVAT Act 2005.

You are eligible for input tax credit on your purchases except for the items specified in the negative list and Schedule VI goods.

The value of the ineligible purchases shall be entered in Box 6(A) of the VAT return. All eligible purchases shall be entered in the respective boxes, according to the tax rates.

In respect of your sales you must enter the value in box 18(A) of VAT return. Since you have not charged any VAT you cannot enter the tax in box 18(B) of VAT return.

**11. WHAT IF I AM SELLING THESE GOODS AND OTHER GOODS ALSO?**

In case you are second or subsequent seller of these goods and also other goods you are eligible to claim input tax credit only on other goods traded in.

You are eligible to claim input tax credit on your purchases on all items except the tax paid on these goods (say petrol, diesel etc.,) and the tax paid on the items in negative list.

**12. HOW DO I OBTAIN FURTHER INFORMATION?**

You should contact your local Tax Office.