



Press Release on e-commerce
GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT

E-Commerce and Online selling of goods is fast growing business in India. Recent investigations undertaken by Commercial Taxes Department of Government of Tamil Nadu reveal that certain dealers involved in online trading have indulged in tax evasion by not declaring the turnover on online sales. Such dealers have not paid the Value Added Tax (VAT) due thereon to the Government on sales effected through e-commerce portals.

In one such instance, a dealer has made sales online for several crores of rupees but reported a small portion of such turnover to the Government for which legal action is being pursued to collect tax due including interest and penalty..

Commercial Taxes Department is verifying bank transactions made on e-commerce portals for suppression of sales and legitimate tax due to Government and the tax recovered as per provisions of TNVAT Act 2006. Further such dealers evading tax are warned of prosecution under Section 71 of Tamil Nadu Value Added Tax Act, 2006.

Tamil Nadu VAT is payable on online purchase of any goods, including downloaded software, e-book, songs etc., by a consumer in Tamil Nadu from an online retailer delivering goods from Tamil Nadu. In case the online retailer delivers goods from Tamil Nadu to a consumer in another state, Central Sales Tax is payable. In case of Sale of Motor Vehicles from within Tamil Nadu or outside the State to a consumer in Tamil Nadu, entry tax shall be paid by the online seller/importer of such vehicle into Tamil Nadu.

Hence the dealers involving in e-commerce are hereby cautioned to disclose and pay VAT and Central Sales Tax due on all transactions through e-commerce portals promptly, failing which punitive action will be taken as per penal provisions of TNVAT Act 2006.

All citizens, while effecting online purchases, are requested to insist on tax invoices containing name, full address of the seller and TIN (Tax payers Identification Number) which would enhance their consumer rights by having legal title of goods purchased in case of any default on part of the supplier.

If consumers come across online sales without proper tax invoices, without full address and TIN Number, they can inform the same to the Commercial Taxes Department to the following address:

**Principal Secretary / Commissioner of Commercial Taxes,
II Floor, Ezhilagam,
Chepauk, Chennai-600 005.
e-mail id: cct@tn.gov.in Fax: 044- 28546755/ 28551864.**

**ISSUED BY
PRINCIPAL SECRETARY/COMMISSIONER OF COMMERCIAL TAXES
GOVERNMENT OF TAMIL NADU**