

Smt. Ranjeev R. Acharya, I.A.S., Commissioner of Commercial Taxes

CIRCULAR

Sub :- Clarification regarding I.T. Products, the Tariff codes of which are changed by Central Excise Department.

Ref :- G.O.Ms.No. 1615 Rev.(CT-II) Dept. Dt. 31-08-2005.

Under Entry 39 in Schedule IV appended to APVAT Act certain products are included as information technology products. The applicable rate of tax for these products is 4%. The Government of A.P. Vide notification in G.O.Ms.No. 1615 Rev.(CT-II) Department dt. 31-8-2005 w.e.f. 1-9-2005 had issued HSN codes to the items under entry 39 of APVAT Act. The Tariff codes given to the I.T. Products are described in this Notification with reference to their classification under the Central Excise Tariff Act, 1985.

2. The Ministry of Finance, Government of India have effected certain changes in Chapters 84 and 85 of the Central Excise Tariff with effect from the 1st January 2007. The purpose in effecting these changes is to align the Central Excise Tariff with certain commitments to the World Customs Organisation.

3. As a result of these changes, the tariff heading applicable to several of the products notified as information technology products have changed.

4. It is clarified that pending issue of a Notification, changing the HSN codes appropriately, all products that are falling under various tariff codes already notified vide reference cited, will continue to be treated as information technology products for the purpose of the Entry 39 of IV Schedule to APVAT Act notwithstanding the changes in the Central Excise Tariff heading for these products. In essence, the description of the goods in the said entry prevail over the HSN Codes.

5. This circular cannot be made use of for legal interpretation of provisions of law, as it is clarificatory in nature. It is reiterated that only those items for which the tariff code notified vide reference cited will continue to be liable to tax @ 4%.

6. The dealers in case of any doubt may contact the Tax office concerned.

G. LAKSHMI PRASAD  
for Commissioner of Commercial Taxes