

## VALUE ADDED TAX IN RAJASTHAN AND HARYANA: A COMPARATIVE STUDY

Garima Ahuja\*  
Dr. G. D. Mendiratta\*\*

### Abstract

VAT in Rajasthan is levied as per the sections of the Rajasthan Value Added Tax Act, and Haryana Value Added Tax Act. VAT is levied on the type of goods and in some cases the quantity of goods. Fixed percentage of the overall sales figure is levied as VAT on each product, with a number of goods also being exempt from this tax. Rajasthan and Haryana has a well-established portal for online taxes that allows you to register, download forms and make payments related to VAT online.

**Keywords:** Value Added Tax (VAT), MODVAT, CENVAT, Online Taxes, Dealer.

### Introduction

Taxation refers to the process of an authority levying certain charges on goods, services and transactions. It is one of the foremost powers held by the government of any country. Various types of taxes are applicable at various stages of sale of goods and services; VAT is one such tax. In India, VAT was introduced for the first time in the year 1986 as MODVAT i.e. Modified Value Added Tax but because of some shortcomings, Central Value Added Tax (CENVAT) was brought by the Government in 2000. Haryana became the pioneer in the adoption of VAT system for the first time among all states of the country. Thereafter, some other states followed the footsteps of Haryana and opted to apply VAT. At present, VAT is applicable to all the states in the country. From past few years, Sales tax is suffering from some controversies like it lacks transparency and double taxation which is the very reason for tax evasion. That is why Sales Tax has been replaced by VAT. There are different VAT rates in Rajasthan and Haryana for different commodities given in VAT Notifications of respective Governments.

### Value Added Tax Collection In Rajasthan During Study Period

The levy and collection of Value Added Tax (VAT) in Rajasthan is governed by R-VAT Act, 2003. Subject to the provision of this Act, every dealer who is an importer of goods or who is a manufacturer of 8. Sub-section (1) of section 45 of H-VAT Act, 2003. goods shall be liable to pay Tax under this Act. Rajasthan has introduced VAT with effect from 1st April 2006.

**Table 1 : VAT Collection in Rajasthan during Study Period Year VAT Collection**

(Rs. in Crore)

Year	VAT Collection	Growth in %
2010-11	11,638.74	----
2011-12	14,371.53	23.48
2012-13	16,887.48	17.51
2013-14	19,490.41	15.41
2014-15	22,214.88	13.98

Source: State Budget Statistics (2010-11 to 2014-15), Directorate of Economics and Statistics, Rajasthan, Jaipur.

\* Research Scholar, Department of ABST, University of Rajasthan, Jaipur, Rajasthan.

\*\* Principal, Sri Adinath Commerce College, Alwar & Dean, Matsya University, Alwar, Rajasthan.