

L. A. BILL No. LXXIII OF 2025.

A BILL

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

Mah.
XLIII of
2017.

WHEREAS it is expedient further to amend the Maharashtra Goods and Services Tax Act, 2017, for the purposes hereinafter appearing; it is hereby enacted in the Seventy-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Maharashtra Goods and Services Tax (Amendment) Act, 2025.

Short title
and
commence-
ment.

(2) Save as otherwise provided in this Act, this section shall come into force with immediate effect, and the remaining sections shall come into force on such date, with prospective or retrospective effect, as the State Government may, by notification in the *Official Gazette*, appoint and 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.

Amendment
of section 2 of
Mah. XLIII of
2017.

2. In section 2 of the Maharashtra Goods and Services Tax Act, 2017 (hereinafter referred as the “principal Act”),—

Mah.
XLIII of
2017.

(i) in clause (61), after the word and figure “section 9”, the words, brackets and figures “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act,” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April 2025;

(ii) in clause (69),-

(a) in sub-clause (c), after the words “management of a municipal”, the word “fund” shall be inserted;

(b) after sub-clause (c), the following *Explanation* shall be inserted, namely:-

“*Explanation.*— For the purposes of this sub-clause ,—

(a) “local fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(b) “municipal fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;”;

(iii) after clause (116), the following clause shall be inserted, namely: —

“(116A) “unique identification marking” means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable;”.

Amendment
of section 12
of Mah. XLIII
of 2017.

3. In section 12 of the principal Act, sub-section (4) shall be deleted.

Amendment
of section 13
of Mah. XLIII
of 2017.

4. In section 13 of the principal Act, sub-section (4) shall be deleted.

Amendment
of section 17
of Mah. XLIII
of 2017.

5. In section 17 of the principal Act, in sub-section (5), in clause (d), —

(i) for the words “plant or machinery”, the words “plant and machinery” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July 2017;

(ii) the *Explanation* shall be numbered as *Explanation 1* thereof, and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely: —

“*Explanation 2.*—For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to ‘plant or machinery’ shall be construed and shall always be deemed to have been construed as a reference to ‘plant and machinery’;”.

- 6.** In section 20 of the principal Act, with effect from the 1st day of April 2025, — Amendment of section 20 of Mah. XLIII of 2017.
- (i) in sub-section (1), after the word and figure “section 9”, the words, brackets and figures “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act” shall be inserted;
 - (ii) in sub-section (2), after the word and figure “section 9”, the words, brackets and figures “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act” shall be inserted.
- 7.** In section 34 of the principal Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely: — Amendment of section 34 of Mah. XLIII of 2017.
- “Provided that no reduction in output tax liability of the supplier shall be permitted, if the—
- (i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or
 - (ii) incidence of tax on such supply has been passed on to any other person, in other cases.”.
- 8.** In section 38 of the principal Act, — Amendment of section 38 of Mah. XLIII of 2017.
- (i) in sub-section (1), for the words “an auto-generated statement”, the words “a statement” shall be substituted;
 - (ii) in sub-section (2), —
 - (a) for the words “auto-generated statement under”, the words “statement referred in” shall be substituted;
 - (b) in clause (a), the word “and” shall be deleted;
 - (c) in clause (b), after the words “by the recipient,”, the word “including” shall be inserted;
 - (d) after clause (b), the following clause shall be inserted, namely: —

“(c) such other details as may be prescribed.”.
- 9.** In section 39 of the principal Act, in sub-section (1), for the words “and within such time”, the words “within such time, and subject to such conditions and restrictions” shall be substituted. Amendment of section 39 of Mah. XLIII of 2017.
- 10.** In section 107 of the principal Act, in sub-section (6), for the proviso, the following proviso shall be substituted, namely: — Amendment of section 107 of Mah. XLIII of 2017.
- “Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty has been paid by the appellant.”.
- 11.** In section 112 of principal Act, in sub-section (8), the following proviso shall be inserted, namely: — Amendment of section 112 of Mah. XLIII of 2017.
- “Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant.”.

Insertion of new
section 122B in
Mah. XLIII
of 2017.

12. After section 122A of the principal Act, the following section shall be inserted, namely: —

Penalty for
failure to
comply
with track and
trace
mechanism.

“122B. Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.”.

Insertion of
new
section 148A in
Mah. XLIII
of 2017.

13. After section 148 of the principal Act, the following section shall be inserted, namely: —

Track
and trace
mechanism
for certain
goods.

“148A. (1) The Government may, on the recommendations of the Council, by notification, specify, —

- (a) the goods;
 - (b) persons or class of persons who are in possession or deal with such goods,
- to which the provisions of this section shall apply.

- (2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1), —

- (a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed;
 - and ;

- (b) prescribe the unique identification marking for such goods; including the information to be recorded therein.

- (3) The persons referred to in sub-section (1) shall,-

- (a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;

- (b) furnish such information and details within such time and maintain such records or documents, in such form and manner;

- (c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;

- (d) pay such amount in relation to the system referred to in sub-section (2),

as may be prescribed.”.

Amendment
of Schedule
III of Mah.
XLIII of 2017.

14. In Schedule III of the principal Act, —

- (i) in paragraph 8, after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July 2017, namely: —

- “(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area;”;

- (ii) in *Explanation 2*, after the words “For the purposes of”, the words, brackets and letter “clause (a) of” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July 2017;

(iii) after *Explanation 2*, the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July 2017, namely: —

28 of 2005. *“Explanation 3. — For the purposes of clause (aa) of paragraph 8, the expressions “Special Economic Zone”, “Free Trade Warehousing Zone” and “Domestic Tariff Area” shall have the same meanings respectively as assigned to them in section 2 of the Special Economic Zones Act, 2005.”.*

15. No refund shall be made of all such tax which has been collected, but which would not have been so collected, had section 14 been in force at all material times. No refund of tax collected.

STATEMENT OF OBJECTS AND REASONS

Various decisions have been taken by the Goods and Services Tax Council in its meeting requiring amendments in Goods and Service Tax Laws. Accordingly, the Central Goods and Services Tax, 2017 (12 of 2017) has been amended by the Parliament by the Finance Act, 2025 (7 of 2025). In order to implement the decisions taken by the Goods and Services Tax Council in aforesaid meetings and to maintain uniformity in applicability of the provisions of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 (Mah. XLIII of 2017), it is expedient to amend the Maharashtra Goods and Services Tax Act, 2017.

2. The salient features of the proposed amendments are as follows: -

- (i) to amend clause (61) of section 2, to explicitly include inter-state Reverse Charge Mechanism (RCM) transactions under the Input Service Distributor (ISD) mechanism by including reference to supplies subject to tax under sub-section (3) and (4) of section 5 of the Integrated Goods and Services Tax Act, 2017;
- (ii) to amend sub-clause (c) of clause (69) of section 2, to insert an Explanation to provide for definitions of the terms 'Local Fund' and 'Municipal Fund';
- (iii) to insert a new clause (116A) in section 2, to provide definition of Unique Identification Marking for implementation of Track and Trace Mechanism;
- (iv) to delete sub-section (4) of section 12 and sub-section (4) of section 13, to remove the provision for time of supply in respect of transaction in vouchers, the same being neither supply of goods nor supply of services;
- (v) to amend clause (d) of sub-section (5) of section 17, with retrospective effect from 1st July 2017;
- (vi) to amend sub-sections (1) and (2) of section 20, to clearly include inter-state Reverse Charge Mechanism (RCM) transactions under the Input Service Distributor (ISD) system by referring to supplies taxable under sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax Act, 2017;
- (vii) to amend sub-section (2) of section 34, to explicitly provide for requirement of reversal of corresponding input tax credit in respect of a credit-note, if availed, by the registered recipient, for the purpose of reduction of tax liability of the supplier in respect of the said credit note. It further seeks to remove the condition in the said proviso of not having passed the incidence of interest on supply for the purpose of reduction of tax liability of the supplier in respect of the said credit note;
- (viii) to amend sub-sections (1) and (2) of section 38, to remove the term "auto-generated" in relation to the statement of input tax credit;
- (ix) to amend sub-section (1) of section 39, so as to provide for an enabling clause to prescribe conditions and restriction for filing of return under the said sub-section;

- (x) to amend the proviso to sub-section (6) of section 107, for providing payment of pre-deposit at ten per cent. instead of twenty five per cent. for filing appeals before Appellate Authority in cases involving only demand of penalty without involving the demand of tax;
- (xi) to insert a new proviso to sub-section (8) of section 112, to provide for payment of pre-deposit at ten per cent. for filing appeals before Appellate Tribunal in cases involving only demand of penalty without involving the demand of tax;
- (xii) to insert section 122B, to provide penalty for contraventions of provisions related to the Track and Trace Mechanism provided under section 148A;
- (xiii) to insert section 148A, as an enabling provision to empower the Government to enforce the Track and Trace Mechanism for specified evasion prone commodities;
- (xiv) to amend Schedule III, with retrospective effect from 1st July 2017,—
 - (a) by inserting a new clause (aa) in paragraph 8 of Schedule III, to provide that the supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area shall be treated neither as supply of goods nor as supply of services;
 - (b) to amend *Explanation 2*, to clarify that the said explanation would be applicable in respect of clause (a) of paragraph 8 of the said Schedule;
 - (c) to add *Explanation 3* to define the terms ‘Special Economic Zone’, ‘Free Trade Warehousing Zone’ and ‘Domestic Tariff Area’, for the purpose of the proposed clause (aa) in paragraph 8 of said Schedule.

3. The Bill seeks to achieve the above objectives.

Mumbai,

Dated the 2nd July 2025.

AJIT PAWAR,

Deputy Chief Minister (Finance).

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposals for delegation of legislative powers, namely :-

Clause 1 (2).— Under this clause, power is taken to the State Government, to bring into force the remaining sections of this Act on such date, with prospective or retrospective effect, as the State Government may, by notification in the *Official Gazette*, appoint and different dates may be appointed for different provisions of this Act.

Clause 13.— Under this clause, which seeks to insert section 148A in the said Act, power is taken to the State Government,—

- (i) in sub-clause (1) to specify, by notification the applicability of this section to goods or persons;
- (ii) in sub-clause (2) to prescribe a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons.
- (iii) in sub-clause (3) to prescribe,—
 - (a) the information and manner of affixing unique identification marking on the goods or packages ;
 - (b) form and manner of furnishing information and details, within such time;
 - (c) form and manner of furnishing details of machinery installed in the place of business and such other details or information;
 - (d) amount to be paid in relation to system for enabling affixation of unique identification marking.

2. The above-mentioned proposals for delegation of legislative power are of normal character.

FINANCIAL MEMORANDUM

In order to implement the decisions taken by the Goods and Services Tax Council and to maintain uniformity in applicability of the provisions of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 (Mah. XLIII of 2017), certain amendments are made in various sections of the Maharashtra Goods and Services Tax Act, 2017 (Mah. XLIII of 2017).

There is no provision in the Bill which would involve the recurring or non-recurring expenditure from the Consolidated Fund of the State on its enactment as an Act of the State Legislature.

**GOVERNOR'S RECOMMENDATION UNDER ARTICLE 207 OF
THE CONSTITUTION OF INDIA**

**(Copy of Government of Maharashtra Order, Law and Judiciary
Department)**

In exercise of the power conferred upon him by clause (1) of Article 207 of the Constitution of India, the Governor of Maharashtra is pleased to recommend to the Maharashtra Legislative Assembly, the Introduction of the Maharashtra Goods and Service Tax (Amendment) Bill, 2025.

**ANNEXURE TO THE L. A. BILL No. LXXIII OF 2025.— THE
MAHARASHTRA GOODS AND SERVICES TAX (AMENDMENT)
BILL, 2025**

**(Extracts from the Maharashtra Goods And Services Tax
(Amendment) Act, 2017)
(Mah. XLIII of 2017)**

- 1.** * * * *
- 2.** In this Act, unless the context otherwise requires,- Definitions.
- (1) to (60) * * * *
- (61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20 ;”.
- (62) to (68) * * * *
- (69) “local authority” means—
- (a) and (b) * * * *
- (c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund ;
- (d) to (g) * * * *
- (70) to (120) * * * *
- 3. to 11.** * * * *
- 12.** (1) to (3) * * * * Time of supply of goods.
- (4) In case of supply of vouchers by a supplier, the time of supply shall be—
- (a) the date of issue of voucher, if the supply is identifiable at that point ; or
- (b) the date of redemption of voucher, in all other cases.
- (5) and (6) * * * *
- 13.** (1) to (3) * * * * Time of supply of services.
- (4) In case of supply of vouchers by a supplier, the time of supply shall be—
- (a) the date of issue of voucher, if the supply is identifiable at that point ; or
- (b) the date of redemption of voucher, in all other cases.
- (5) and (6) * * * *
- 14. to 16.** * * * *
- 17.** (1) to (4) * * * *
- (5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely :—
- Apportionment of credit and blocked credits.

(a) to (c) * * *

(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used intercourse or furtherance of business.

Explanation.—For the purposes of clauses (c) and (d), the expression “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property ;

(e) to (i) * * *

(6) * * *

18. and 19. * * *

Manner of
distribution
of credit by
Input
Service
Distributor.

20. (1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.

(2) The Input Service Distributor shall distribute the credit of State tax or integrated tax charged on invoices received by him, including the credit of State or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) * * *

21. to 33. * * *

Credit and
debit
notes.

34. (1) * * *

(2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than the thirtieth day of November following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed :

Provided that, no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

(3) and (4) * * *

35. and 37. * * *

Communication of
details of inward
supplies and input
tax credit

38. (1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an auto-generated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.

(2) The auto-generated statement under sub-section (1) shall consist of—

(a) details of inward supplies in respect of which credit of input tax may be available to the recipient ; and

(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37,—

(i) by any registered person within such period of taking registration as may be prescribed ; or

(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed ; or

(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed ; or

(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed : or

(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed ; or

(vi) by such other class of persons as may be prescribed. ”.

39. (1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed :

Furnishing
of returns.

Provided that, the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein.

(2) to (10) * * *

40. to 106. * * * *

107. (1) to (5) * * *

(6) No appeal shall be filed under sub-section (1), unless the appellant has paid—

(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him ; and

(b) a sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order, subject to a maximum of twenty five crore rupees in relation to which the appeal has been filed :

“Provided that, no appeal shall be filed against an order under sub section (3) of section 129, unless a sum equal to twenty-five per cent. of the penalty has been paid by the appellant.”

	(7) to (16)	*	*	*	*
	108. to 111	*	*	*	*
Appeals to Appellate Tribunal.	112. (1) to (7)	*	*	*	*
	(8) No appeal shall be filed under sub-section (1), unless the appellant has paid—				

(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and

(b) a sum equal to ten per cent. of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of the section 107, arising from the said order subject to a maximum of twenty crore rupees, in relation to which the appeal has been filed.

(9) and (10)	*	*	*	*
113. to 174.	*	*	*	*
SCHEDULE I and II	*	*	*	*

SCHEDULES III

[See section 7]

ACTIVITIES OR TRANSACTIONS WHICH SHALL BE TREATED NEITHER AS A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES

1. to 7.	*	*	*	*
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8. (a) Supply of goods from a place outside India to another place outside India without such goods entering into India.

(b) supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

Explanation 1. - For the purposes of paragraph 2, the term “court” includes District Court, High Court and Supreme Court.

Explanation 2. - For the purposes of paragraph 8, the expression “warehoused goods” shall have the same meaning as assigned to it in the Customs Act, 1962.

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L. A. BILL No. LXXIII OF 2025.]

**[A Bill further to amend the Maharashtra
Goods and Services Tax Act, 2017.]**

**[SHRI AJIT PAWAR,
Deputy Chief Minister (Finance).]**

**JITENDRA BHOLE,
Secretary-1,
Maharashtra Legislative Assembly.**