

HARYANA VIDHAN SABHA

Bill No. 21— HLA of 2025

**THE HARYANA GOODS AND SERVICES TAX
(AMENDMENT) BILL, 2025**

A

BILL

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

Be it enacted by the Legislature of the State of Haryana in the Seventy-sixth Year of the Republic of India as follows:-

1. (1) This Act may be called the Haryana Goods and Services Tax (Amendment) Act, 2025. Short title and commencement.

(2) The provisions of sections 2 (ii), 2 (iii) to 5 and 7 to 15 shall come into force from such date, as the Government may, by notification in the Official Gazette, appoint:

Provided that the Government may, by notification in the Official Gazette, appoint different dates for commencement of different provisions of this Act.

2. In the Haryana Goods and Services Tax Act, 2017 (hereinafter called the principal Act), in section 2,- Amendment of section 2 of Haryana Act 19 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, 2017 (Central Act No. 13 of 2017)” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2025;

(ii) in sub-clause (c) of clause (69),-

(a) after the words “management of a municipal”, the word “fund” shall be inserted; and

(b) the following Explanation shall be added, 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 in 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 Haryana Act 19 of 2017.

3. Sub-section (4) of section 12 of the principal Act shall be omitted.

Amendment of section 13 of Haryana Act 19 of 2017.

4. Sub-section (4) of section 13 of the principal Act shall be omitted.

Amendment of section 17 of Haryana Act 19 of 2017.

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

(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) existing Explanation shall be numbered as Explanation 1 thereof, and after Explanation 1 as so numbered, the following Explanation shall be added, 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."

Amendment of section 20 of Haryana Act 19 of 2017.

6. In section 20 of the principal Act,-

(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, 2017 (Central Act No. 13 of 2017)" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2025;

(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, 2017 (Central Act No. 13 of 2017)", shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2025.

7. For the existing proviso to sub-section (2) of section 34 of the principal Act, the following proviso shall be substituted, namely: -

Amendment of section 34 of Haryana Act 19 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 Haryana Act 19 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 omitted;
 - (c) in clause (b),-
 - (i) after the words "by the recipient,", the word "including" shall be inserted; and
 - (ii) for the sign "." existing at the end, the sign "," shall be substituted;
 - (d) after clause (b), the following clause shall be added, namely:-

"(c) such other details, as may be prescribed."

9. In sub-section (1) of section 39 of the principal Act, 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 Haryana Act 19 of 2017.

10. For the existing proviso to sub-section (6) of section 107 of the principal Act, the following proviso shall be substituted, namely:-

Amendment of section 107 of Haryana Act 19 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."

Amendment of
section 112 of
Haryana Act 19
of 2017.

11. In sub-section (8) of section 112 of the principal Act,-
- (i) for the sign “.” existing at the end, the sign “:” shall be substituted; and
 - (ii) the following proviso shall be added, namely:-

“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
section 122B
in Haryana Act
19 of 2017.

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

“122B. Penalty for failure to comply with track and trace mechanism.- 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
section 148A in
Haryana Act 19
of 2017.

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

“148A. Track and trace mechanism for certain goods.- (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) specify the unique identification marking for such goods, including the information to be recorded therein.
- (3) The persons referred to in clause (b) of sub-section (1) shall,-
 - (a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner, as may be prescribed;

- (b) furnish such information and details within such time and maintain such records or documents, in such form and manner, as may be prescribed;
- (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, as may be prescribed; and
- (d) pay such amount in relation to the system referred to in sub-section (2), as may be prescribed.”.

14. In paragraph 8 of Schedule III of the principal Act,-

Amendment of
Schedule III of
Haryana Act 19
of 2017.

- (i) 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:-

“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 (Central Act 28 of 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 of this amending Act been in force at all material times.**

No refund of tax
collected.

STATEMENT OF OBJECTS AND REASONS

The Haryana Goods and Services Tax Act, 2017 (the Act) was enacted with a view to make a provision for levy and collection of tax on *intra-State* supply of goods or services or both by the State Government.

2. It is proposed to amend the Haryana Goods and Services Tax Act, 2017 on the basis of the recommendations made by the GST Council and on the lines of amendments carried out in the Central Goods and Services Tax Act, 2017 by Finance Act, 2025 (Central Act 7 of 2025).

3. The proposed Haryana Goods and Services Tax (Amendment) Bill, 2025, *inter alia*, provides for the following, namely:—

- (i) to insert a new clause (116A) in section 2 so as to define the expression “unique identification marking” to mean a mark that is unique, secure and non-removable, for implementation of track and trace mechanism.
- (ii) to amend clause (d) of sub-section (5) of section 17 of the Act so as to substitute the expression “plant or machinery” with the expression “plant and machinery” to remove any ambiguity in interpretation for the purpose of availment of input tax credit in such cases.
- (iii) to amend the proviso to sub-section (2) of section 34 of the Act so as to explicitly provide for the 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.
- (iv) to substitute the proviso to sub-section (6) of section 107 of the Act to provide for the requirement of pre-deposit of ten per cent. of the penalty amount for filing an appeal before the Appellate Authority against an order which involves demand of penalty without involving any demand of tax.
- (v) to insert a new section 122B in the Act to provide for penal provisions for contraventions of the provision relating to track and trace mechanism.
- (vi) to insert a new section 148A in the Act so as to provide for an enabling provision for implementation of track and trace mechanism for ensuring effective monitoring and control of supply of specified commodities.

- (vii) to insert a new clause (aa) in paragraph 8 of Schedule III of the Act to specify 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.
4. The Bill seeks to achieve the above objectives.

NAYAB SINGH,
Chief Minister, Haryana

The Governor has, in pursuance of Clauses (1) of Article 207 of the Constitution of India, recommended to the Haryana legislative Assembly the introduction and consideration of the Bill.

Chandigarh :
The 21st August, 2025.

RAJIV PRASHAD,
Secretary.

N.B.— The above Bill was published in the Haryana Government Gazette (Extraordinary), dated the 21st August, 2025, under proviso to Rule 128 of the Rules of Procedure and Conduct of Business in the Haryana Legislative Assembly.

FINANCIAL MEMORANDUM

The proposed Haryana Goods and Services Tax (Amendment) Bill, 2025 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of State.

ANNEXURE

EXTRACT FROM THE HARYANA GOODS AND SERVICES
TAX ACT, 2017(19 of 2017)

2. In this Act, unless the context otherwise requires,—

Definitions

* * * * *

(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;”.

(69) (a) * * * * *

(b) * * * * *

(c) a Municipal Committee, a Zila 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;

(116) Union Territory Goods and Services Tax Act” means the Union Territory Goods and Services Tax Act, 2017 (Central Act 14 of 2017);

12. (1) * * * * * Time of supply of goods

(2) * * * * *

(3) * * * * *

(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.

13. (1) * * * * * Time of supply of services

(2) * * * * *

(3) * * * * *

(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.

Apportionment
of credit and
blocked credits.

17.	(1)	*	*	*	*	*
	(2)	*	*	*	*	*
	(3)	*	*	*	*	*
	(4)	*	*	*	*	*
	(5)	*	*	*	*	*
	(a)	*	*	*	*	*
	(b)	*	*	*	*	*
	(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 in the course 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;

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 tax 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 State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions, as may be prescribed.

Credit and debit
notes.

34.	(1)	*	*	*	*	*
	(2)	*	*	*	*	*

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.

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) *
- (ii) *
- (iii) *
- (iv) *
- (v) *
- (vi) by such other class of persons as may be prescribed.”.

39. (1) Every registered person, other than an Input Service Distributor or a nonresident taxable person or a person paying tax under the provisions of sections 10 or 51 or 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:

	Provided	*	*	*	*	*	
107	(1)	*	*	*	*	*	Furnishing of returns.
	(2)	*	*	*	*	*	
	(3)	*	*	*	*	*	
	(4)	*	*	*	*	*	
	(5)	*	*	*	*	*	
	(6)	*	*	*	*	*	

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

112.	(1)	*	*	*	*	*	Appeals to Appellate Tribunal
	(2)	*	*	*	*	*	
	(3)	*	*	*	*	*	
	(4)	*	*	*	*	*	
	(5)	*	*	*	*	*	
	(6)	*	*	*	*	*	
	(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 twenty percent of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said order subject to a maximum of fifty crore rupees, in relation to which the appeal has been filed

Penalty for failure to register certain machines used in manufacture of goods as per special procedure. 122A.

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Special procedure for certain processes 148.

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SCHEDULE III

[See Section 7]

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

(1)	*	*	*	*	*
(2)	*	*	*	*	*
(3)	*	*	*	*	*
(4)	*	*	*	*	*
(5)	*	*	*	*	*
(6)	*	*	*	*	*
(7)	*	*	*	*	*
(8)	*	*	*	*	*

(a) Supply of warehoused goods to any person before clearance for home consumption;

(b) * * * *

Explanation 1.— * * * *

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 (Central Act 52 of 1962).