



Incorpway™
Start-up is now Affordable!

V.A.T

VALUE ADDED TAX



WHAT IS VAT?

- VAT is a tax that is added on to most things you buy, both goods and services
- Value Added Tax is a multi point sales tax with set off for tax paid on purchases.
- VAT is collected from you by businesses and paid to Government
- VAT does not result in businesses paying more tax
- It is basically a tax on the value addition on the product.
- Businesses will collect VAT from you and me, and pay VAT on what they buy. The difference between those amounts will be paid to, or collected back from Government.

Start-up is now Affordable!

THE FEATURES OF VAT

- Tax levied and collected at every point of sale.
- Tax collected at every point of sale and the tax already paid by the dealer at the time of purchase of goods will be deducted from the amount of tax paid at the next sale.
- Dealers reselling tax paid goods will have to collect VAT and file returns and pay VAT at every stage of sale (value addition)
- VAT dispenses with such forms and sets off all tax paid at the time of purchase from the amount of tax payable on sale.
- At the most a few forms are required
- Tax on goods and services both.
- Self assessments by dealers.
- States level Replacement of Sales Tax.
- Input Tax Credit.
- Carry over of set off.
- Exports zero – rated.
- Rates of 12.5%, 4% and 1% & 20%
- Registration/ Return/ Self assessment/ TIN
- Continuation of Tax incentives.
- Threshold exemption for Small Dealers.
- Audit monitoring/ Computerization.



IncorpwayTM

Start-up is now Affordable!

WHY VAT?

- TAX is the money that people have to pay the government, which is used to provide public services.
- And also the money collected has become an instrument of fiscal policy to stimulate economic growth and to maintain economic stability in the country
- International Trend. Vat is seen as more neutral less distorting than any other commodity Taxation.
- Possibilities of standardization locally and globally.
- Taxes current consumption only.
- VAT is seen as more Progressive and more social.

Start-up is now Affordable!





DOCUMENTS REQUIRED FOR VAT REGISTRATION

- Shop & Establishment Certificate
- Professional tax registration Certificate
- Copy of the ownership proof of the business place
- Copy of the rental agreement of the business place
- Copy of Electricity Bill/Municipality Tax Bill
- Copy of the address proof, ID proof of the Proprietor / Partner / Director.
- PAN No. & Bank Account No.
- Details of business activities.

Start-up is now Affordable!

Incorpway™



➤ Additional Documents for Partnership:

Partnership deed

➤ Additional document for Private Limited:

Memorandum of Association and Articles of Association.

➤ Four PP size photographs of Proprietor / Partner / Director.

Note: Documents differ from State to State.



IncorpwayTM

Start-up is now Affordable!

Professional Fees for VAT Registration

@ Rs. 3999



For Further Information Please Visit

www.incorpway.com

© Incorpway All Rights Resrved