

L. A. BILL No. XLVIII OF 2023.

A BILL

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

(As Passed by the Legislative Assembly on the 8th December, 2023)

5 **WHEREAS** both Houses of the State Legislature were not in session ;

10 **AND WHEREAS** the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Goods and Services Tax Act, 2017, for the purposes hereinafter appearing ; and, therefore, promulgated the Maharashtra Goods and Services Tax (Amendment) Ordinance, 2023 on the 26th September 2023 ;

Mah.
XLIII of
2017.
Mah.
Ord. VII
of 2023.

AND WHEREAS it is expedient to replace the said Ordinance, by an Act of the State Legislature, it is hereby enacted in the Seventy-fourth Year of the Republic of India as follows :—

Short title
and
commence-
ment.

1. (1) This Act may be called the Maharashtra Goods and Services Tax (Second Amendment) Act, 2023.

(2) Section 1 shall be deemed to have come into force on the 26th September 2023 and remaining sections shall come into force on such date as the State Government may, by notification in the *Official Gazette*,
5 appoint :

Provided that 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.
10

Amendment
of section 2 of
Mah. XLIII of
2017.

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

Mah.
XLIII of
2017.

(a) after clause (80), the following clauses shall be inserted, namely :—

"(80A) "online gaming" means offering of a game on the
15 internet or an electronic network and includes online money gaming ;

(80B) "online money gaming" means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's
20 worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force ; " ;
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(b) after clause (102), the following clause shall be inserted, namely :—

"(102A) "specified actionable claim" means the actionable claim involved in or by way of,—

(i) betting; 30

(ii) casinos;

(iii) gambling;

(iv) horse racing;

(v) lottery; or

(vi) online money gaming;"; 35

(c) to clause (105), the following proviso shall be added, namely :—

"Provided that, a person who organizes or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such
40 actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply
45 to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims;";

(d) after clause (117), the following clause shall be inserted, namely :—

43 of
1961. 5

“(117A) “virtual digital asset” shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income-tax Act, 1961 ;”.

3. In section 24 of the principal Act,—

Amendment
of section 24
of Mah. XLIII
of 2017.

(a) in clause (xi), the word “and” occurring at the end, shall be deleted ;

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(b) after clause (xi), the following clause shall be inserted, namely :—

“(xi-a) every person supplying online money gaming from a place outside India to a person in India ; and”.

4. In Schedule III appended to the principal Act, in paragraph 6, for the words “lottery, betting and gambling” the words “specified actionable claims” shall be substituted.

Amendment
of Schedule
III of Mah.
XLIII of
2017.

5. The amendments made under this Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casinos, gambling, horse racing, lottery or online gaming.

Transitory
provision.

Mah. 20
Ord. VII
of 2023.

6. (1) The Maharashtra Goods and Services Tax (Amendment) Ordinance, 2023, is hereby repealed.

Repeal of
Mah. Ord. VII
of 2023 and
saving.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done, taken or, as the case may be, issued under the corresponding provisions of the principal Act, as amended by this Act.

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STATEMENT OF OBJECTS AND REASONS

The Goods and Services Tax Council in its 50th and 51st meetings considered representation from various associations on the issues regarding taxability of Casinos, Horse Racing and Online Gaming and recommended to make certain amendments to provide clarity regarding taxability of Casinos, Horse Racing and Online Gaming. Accordingly, the Central Goods and Services Tax Act, 2017 (12 of 2017) has been amended by the Parliament by the Central Goods and Services Tax (Amendment) Act, 2023 (30 of 2023). In order to maintain the 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 was considered expedient to amend the Maharashtra Goods and Services Tax Act, 2017.

2. The salient features of the amendments to the Maharashtra Goods and Services Tax Act, 2017, are as follows :—

(i) define the expressions "online gaming", "online money gaming", "specified actionable claim" and "virtual digital asset" ;

(ii) insert a proviso in the definition of "supplier" to provide clarity regarding "supplier" in case of supply of "specified actionable claim" ;

(iii) insert a new clause in section 24 of the Act, to provide for mandatory registration of the person for supplying online money gaming, from a place outside India to a person in India ; and

(iv) to amend paragraph 6 of Schedule III of the Act, so as to provide clarity regarding taxability of actionable claims involved in or by way of casinos, horse racing and online gaming.

3. As both Houses of the State Legislature were not in session and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Maharashtra Goods and Services Tax Act, 2017, for the purposes aforesaid, the Maharashtra Goods and Services Tax (Amendment) Ordinance, 2023 (Mah. Ord. VII of 2023), was promulgated by the Governor of Maharashtra on the 26th September 2023.

4. The Bill is intended to replace the said Ordinance by an Act of the State Legislature.

Mumbai,

Dated the 2nd November, 2023.

AJIT PAWAR,

Deputy Chief Minister.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposal for delegation of legislative power, namely :—

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

2. The above-mentioned proposal for delegation of legislative power is of a normal character.

FINANCIAL MEMORANDUM

The Bill proposes to amend 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 (Second Amendment) Bill, 2023.

**ANNEXURE TO THE L. A. BILL NO. XLVIII OF 2023-
THE MAHARASHTRA GOODS AND SERVICES TAX
(SECOND AMENDMENT) BILL, 2023**

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

1. * * * *

2. (1) to (104) * * * * Definitions.

(105) "supplier" in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such or behalf of such supplier in relation to the goods or services or both supplied ;

(106) to (120) * * * *

3. to 23. * * * *

24. Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act,— Compulsory Registration in Certain Cases.

(i) to (x) * * * *

(xi) every person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person ; and

(xii) * * * *

25. to 174. * * * *

SCHEDULE I * * * *

SCHEDULE II * * * *

SCHEDULE III

[see section 7]

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

1. to 5. * * * *

6. Actionable claims, other than lottery, betting and gambling.

7. and 8.

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L. A. BILL No. XLVIII OF 2023.]

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

[SHRI AJIT PAWAR,
Deputy Chief Minister.]

**[As Passed by the Legislative Assembly
on the 8th December, 2023.]**

JITENDRA BHOLE,
Secretary (1) (I/C),
Maharashtra Legislative Assembly.