

GOVERNMENT OF NAGALAND  
DEPARTMENT OF FINANCE  
COMMISSIONERATE OF TAXES  
NAGALAND: DIMAPUR

**Tax Awareness Capsules, August 2011**  
**Invoices**

☞ **What are invoices?**

💡 *Invoices are documents for recording/establishing sales of goods, whether taxable or exempt. It contains list of goods sold with prices, quantity, tax involved and other details as may be specified in the Act or prescribed by Rules.*

☞ **How many types of invoices are there under the Nagaland Value Added Tax (NVAT) Act?**

💡 *There are two types of invoices under the NVAT Act, namely, Tax invoice and Retail invoice*

☞ **Who can issue tax invoice?**

💡 *Only a VAT Registered dealer can issue tax invoice*

☞ **When is tax invoice issued?**

💡 *Tax invoice are issued only when a VAT registered dealer sales a taxable goods to another VAT registered dealer for resale or manufacturing or processing it for resale.*

☞ **What are the objects of tax invoice?**

💡 *Invoices are very crucial for effective operation of VAT system of tax. The success of ITC mechanism solely depends on the effective enforcement of this document. **The main objects of tax invoice are;***

- ✓ *To record taxable sales amongst VAT registered dealers.*
- ✓ *To establish the tax liability of the seller*
- ✓ *To establish the Input Tax paid by VAT registered dealers on purchases and claims of ITC thereof.*
- ✓ *To establish audit trail and enables the ITC claimed by VAT registered dealers verifiable*

☞ **Is there any restriction for issue of tax invoices?**

💡 *Tax invoice shall not be issued in the following circumstances*

- ✓ *Sale to consumer; or*
- ✓ *a retail registered dealer is paying presumptive tax in lieu of VAT; or*
- ✓ *sale in the course of export out of the territory of India; or*
- ✓ *sale in the course of inter-state trade and commerce; or*
- ✓ *sale of goods exempted from tax*

☞ **How tax invoices are prepared?**

💡 ***Tax invoice are prepared in triplicate:** The original and the duplicate are to be given to the buyer at the time of sale by the seller. The Triplicate copy is to be retained by the seller for his own record.*

☞ **Which copy of a tax invoice entitles a VAT registered dealer to claim tax credit under VAT?**

💡 *The Original copy of tax invoice entitles the buyer to support his claim of input tax credit. Therefore, to prevent misuse the original copy shall bear the words "valid for input tax credit and the duplicate and the triplicate copy shall be marked as "This copy does not entitle the holder a tax credit"*

☞ **What is Retail invoice and when it is issued?**

💡 *A Retail invoice is an invoice issued when a VAT Registered dealers sells any taxable goods **exceeding rupees one hundred** in any one transaction to any person (consumer or other than a registered dealer) or a retail register dealer paying presumptive tax.*

☞ **How retail invoice is prepared?**

💡 *The Retail invoices shall be prepared in duplicate. The original copy shall be issued to the purchaser and the duplicate copy shall be retained by the selling dealer.*

☞ **Who can issue retail invoice?**

💡 *Only a VAT Registered dealer can issue retail invoice*

☞ **How specimen of tax invoice looks like?**

💡 *Specimen of a TAX Invoice looks like as drawn under*

Book no: .....

Sl No.....of .....

Date .....

Seller's Name _____																					
Address _____																					
Telephone No. _____						Fax No. _____															
TIN <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td></tr></table>																					

Buyer's Name _____																					
Address _____																					
TIN <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td><td style="width: 15px; height: 15px;"></td></tr></table>																					

Terms of Sale

Quantity	Description of goods	Unit Price	Value (Rs)	VAT Rate (%)	Amount of VAT (Rs)
	Total				

**Signature of Seller**

Name & Address of the Printing press..... Sl. No..... (first) Sl. No..... (last) to be printed in every copy

**How a specimen of a retail invoice looks like?**



**A specimen of retail/ Cash Memorandum invoice looks like as under**

Book no .....

Name of the dealer .....

Sl. No..... of .....

Address.....

TIN 

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Sl. No.	Description	Unit price	Quantity	Value	VAT rate	Amount
Total						

\*In case of sale in the course of export out of the territory of India

Name & address of the purchasing dealer.....

Sl. No of Form 'H' .....

Name & address of the printer.....

Signature of the selling dealer.

- ✓ VAT registered dealers shall preserve books of account including tax invoices and retail invoices until the expiry of five years after the end of the year to which they relate to or for such other period as may be prescribed or until the assessment reaches its finality whichever is later.
- Where a dealer is party to any appeal, or revision under this Act he shall retain, until the appeal or revision is finally disposed of, every record and accounts that pertain to the subject matter of the appeal or revision
- Defaulters shall, upon conviction, may face rigorous imprisonment for a term not less than three months, which may extend to three years and with fine.
- Always insist tax invoice / retail invoice or cash memo, as the case may be, to ensure proper crediting of the tax paid by you into the state's exchequer by the dealers on your behalf.
- The developmental activities of the state is dependent upon the tax that you pay on your purchases of taxable goods.