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VAT wants 10% more for water from Sept. bill

Consumers will have to pay an additional 10% for water with the introduction of VAT to their water bill, commencing September.

The inclusion of VAT will mean an additional Rs. 4.20 per unit of water, officials of the Water Resources Board said yesterday. This will increase the price of a unit of water from Rs. 42 to Rs. 46.20.

* The Value Added Tax came into effect on August 1. However the Water Board said that they would be adding the tax to their bills only from September.

Meanwhile, according to an official of the Ministry of Power and Energy, the amount

charged for VAT will not be specified in the electricity bills issued to general consumers. Instead the VAT will be included under the category named "other charges".

However, VAT-paying customers will receive the amount payable in a separate column, which will specify the extra charge as VAT.

VAT-paying customers belong to a category which includes companies and enterprises which are required by law to register for VAT.

"These are the instructions we have received from the Treasury," a Power

Ministry source said, adding that "the government doesn't want to show it separately to ordinary consumers but other consumers are given the amount separately because they are businessmen and can re-claim it".

Electricity bills have increased by 10% with effect from August with the introduction of VAT. But "other services" including connection will require a charge of 20% under VAT, the official said.

Telephone bills which included the VAT from August, contain the tax under a category specified as "other levies". — (HJ)