
REPORT OF THE SUBJECT COMMITTEE
ON
THE KERALA FINANCE BILL, 2014
AND
THE BILL AS REPORTED BY THE SUBJECT COMMITTEE

©
Kerala Legislature Secretariat
2014

KERALA NIYAMASABHA PRINTING PRESS.

REPORT OF THE SUBJECT COMMITTEE
ON
THE KERALA FINANCE BILL, 2014
AND
THE BILL AS REPORTED BY THE SUBJECT COMMITTEE

962/2014.

CONTENTS

| | <i>Page</i> |
|--|-------------|
| 1. Composition | .. v |
| 2. Report | .. vii |
| 3. Minutes of Dissent | .. xxi |
| 4. Bill as reported by the Subject Committee | .. 1 |

SUBJECT COMMITTEE VIII
(ECONOMIC AFFAIRS)
(2013-2016)
Composition

Chairman :

Shri K. M. Mani,
Minister for Finance, Law and Housing.

Ex-officio Members :

Shri K. Babu,
Minister for Fisheries, Ports and Excise
Shri Anoop Jacob,
Minister for Food, Civil Supplies, Consumer Protection and Registration.

Members :

Shri V. Chenthamarakshan
,, Kovoore Kunjumon
,, Mullakkara Retnakaran
Prof. C. Raveendranath
Shri V. D. Satheesan
DR. T. M. Thomas Isaac
Shri P. Ubaidulla
,, M. P. Vincent.

Legislature Secretariat :

Shri P. D. Sarangadharan, Secretary
,, Thomas Chettuparambil, Joint Secretary
,, R. Kishor Kumar, Deputy Secretary
Smt. Shabana Anjum, Under Secretary.

THE KERALA FINANCE BILL, 2014

Report of the Subject Committee

The Kerala Finance Bill, 2014 (Bill No. 281) was referred to Subject Committee VIII—Economic Affairs for joint consideration with Subject Committee II—Land Revenue and Devaswom and Subject Committee V—Public Works, Transport and Communications. The joint meeting of Subject Committee II, V and VIII considered the Bill clause by clause and now submits this Report with the Bill as reported by the Subject Committee annexed thereto.

2. The Kerala Finance Bill, 2014 was published as a Gazette Extraordinary dated February 2, 2014. The Bill was introduced in the Assembly on February 6, 2014 and was referred to Subject Committee VIII for joint consideration with Subject Committee II and V on July 9, 2014.

3. The Committee considered the Bill clause by clause at the meeting held on July 9, 2014. The Committee recommends to adopt the Bill with the following modifications:—

Clause 1

For clause 1, the following clause shall be substituted, namely:—

“1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance Act, 2014.

(2) Save as otherwise provided in this Act,—

- (i) sub-section (10) of section 10, sub-clause (iv) of clause (a) and sub-clause (ix) of clause (c) of sub-section (17) of section 10 shall be deemed to have come into force on the 1st day of April, 2005;
- (ii) clause (b) of sub-section (1) of section 7 shall be deemed to have come into force on the 1st day of April, 2007;
- (iii) sub-clause (iv) of clause (c) of sub-section (17) of section 10 shall be deemed to have come into force on 13th November, 2009;
- (iv) clause (e) of sub-section (5) of section 10 shall be deemed to have come into force on the 1st day of April, 2013;
- (v) sub-section (2) of section 5 and sub-clause (x) of clause (c) of sub-section (17) of section 10 shall be deemed to have come into force on the 1st day of January, 2014;

(vi) Sections 2 to 4, sub-sections (1), (3) and (4) of section 5, section 6, clause (a) of sub-section (1) and sub-sections (2) to (7) of section 7, sections 8, 9, sub-sections (1) to (4), clauses (a) to (d) of sub-section (5), sub-sections (6) to (9), sub-sections 11 to 16, sub-clauses (i) to (iii), (v), (vi), (vii) of clause (a) sub-clause (i) to (iii) of clause (b), sub-clauses (i) to (iii) and (v) to (viii) of clause (c) and clause (d) of sub-section (17) of section 10 and section 11 shall be deemed to have come into force on the 1st day of April, 2014;

(vii) the remaining provisions of this Act shall come into force at once.

Clause 3

(1) In sub-section (1B) of section 28 A of the Kerala Stamp Act, 1959 (17 of 1959) proposed to be inserted by item (a) of sub-clause (1) of the Bill, after the words, figure, letter and brackets, “under sub-section (1A)”, the words, figure and brackets “and the value so increased shall be deemed to be the fair value of the land fixed under sub-section (1)” shall be inserted;

(2) In sub-clause (2),—

(a) in serial number 10 of the Schedule proposed to be substituted by item (b), for the words, “paid up capital”, wherever they occur, the words “authorised capital” shall be substituted;

(b) In serial number 36 A of the Schedule proposed to be inserted by item (f), after the word, figures, letters and brackets “(Act XII of 1955)”, the words, figures and brackets “or under the Societies Registration Act, 1860 (Central Act 21 of 1860)” shall be inserted.

Clause 4

In the proviso to sub-section (1) of section 3 of the Kerala Plantation Tax Act, 1960 (17 of 1960) proposed to be inserted by clause 4 of the Bill, for the word “and” occurring after the word “arecanut”, the word “or” shall be substituted.

Clause 5

(1) In the sub-clause (2),—

(i) in item (a), for the word and figures “31st March, 2014”, the word and figures “31st August, 2014”, shall be substituted;

(ii) in item (b), for the words and figures “31st March, 2014”, the words and figures “31st December, 2014”, shall be substituted;

(2) The Note appearing at the end of sub-clause (2) shall be omitted;

(3) In sub-clause (3),—

(i) after item (a), the following item shall be inserted, namely:—

“(aa) for the words “public sector undertakings”, the words “public sector undertakings excluding oil marketing companies”, shall be substituted.”

Clause 7

(1) In sub-clause (1),—

(a) for item (b), the following item shall be substituted, namely:—

“(b) for clause (e), the following clause shall be substituted, namely:—

“(e) “purchase value” means the value of the vehicle as shown in the purchase invoice and includes value added tax, cess and customs/excise duty chargeable on vehicles:

Provided that the discount or rebate given by the dealer to the registered owner shall not be deducted from the bill amount for computing the purchase value:

Provided further that where the purchase value of any vehicle including a vehicle imported from other countries or a vehicle acquired or obtained otherwise than by way of purchase is not ascertainable on account of non availability of the invoice, the purchase value shall be the value or price of the vehicles of the same specifications which are already registered or available with the manufacturer or as fixed by the Customs and Central Excise Department for the purpose of levying customs duty and includes excise or customs duty levied on the purchase of a motor vehicle, as the case may be.” ”;

(b) after item (b), the following items shall be inserted, namely:—

“(c) the existing clause (ee) shall be renumbered as clause (eb) and before clause (eb) as so renumbered the following clause shall be inserted, namely:—

“(ea) “push back seat” means the seat, backrest of which can be adjusted or tilted to the comfort of the passenger.”;

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

“(fa) “sleeper berth” means a berth or a seat which can be adjusted or converted as a berth for the comfort of the passenger.” .”;

(2) In sub-clause (2), in item (a),—

- (i) in the second proviso, proposed to be substituted by sub-item (i), the figures, letter and brackets “7(i)(d)” shall be omitted;
- (ii) for the fourth proviso, proposed to be substituted by sub-item (iii) of item (a), the following proviso shall be substituted, namely:—

“Provided also that in respect of old motor cycles specified in item (1), old three wheelers specified in item (2), new goods carriages specified in item 3(i)(a) to 3(i)(e) and 3(ii)(a) to 3(ii)(e) and old motor cars specified in item 11 (i) of the Schedule, there shall be, levied a tax in advance for a period of five years after the expiry of the period in respect of which tax has been paid at the rate specified in Annexure II and for new Autorickshaws specified in item number 7 (i) (a), there shall be levied a tax in advance for a period of five years at the rate specified in Annexure II at the time of first registration of the vehicle and thereafter tax shall be levied for five years or for one year at the rate specified in the seventh proviso to sub-section (1) of section 4.” ;

(3) In sub-clause (3), in item (a),—

(i) for the words, figures, brackets and letters proposed to be substituted by sub-item (i) of item (a) of the Bill, the following words, figures, brackets and letters shall be substituted, namely:—

“or goods carriage specified in items 3 (i)(a) to 3(i)(e), 3(ii)(a) to 3(ii)(e), new autorickshaws specified in item 7(i)(a) or old motor cars specified in item 11 (i) of the Schedule shall pay tax in respect of those vehicles in advance for a period of five years in lump sum upon a licence for such period.”;

(ii) in the fifth proviso proposed to be substituted by sub-item (ii), the words, figures, letter and brackets “luxury taxi specified in item 7(i)(d)” shall be omitted;

(iii) in the sixth proviso, proposed to be substituted by sub-item (iii), for the figures, letter and brackets “7(i)(d)”, the figures, letter and brackets “7 (i)(c)” shall be substituted;

(iv) for sub-item (iv) of item (a) of the Bill, the following sub-item shall be substituted, namely:—

“(iv) for the seventh proviso, the following proviso shall be substituted, namely:—

“Provided also that the owner or a person liable to pay tax in respect of autorickshaws specified in item 7 (i)(a), motor cab specified in 7(i)(b) and

tourist motor cab specified in 7 (i)(c) of the Schedule shall have an option to remit tax in lump sum for five years at the rate specified in Annexure II or to remit tax for one year at the rate specified in item number 7 (i) (a) to 7 (i)(c) of the Schedule respectively”;

(4) for sub-clause (4) of the Bill, the following sub-clause shall be substituted, namely:—

“(4) in section 8, for the words, “motor vehicle” the words, “transport vehicle” shall be substituted;

(5) In the proviso to sub-section (2) of section 11 of the Kerala Motor Vehicles Taxation Act, 1976, proposed to be substituted by sub-clause (5), for the words “before the completion of the sale” the words “before the date of notification of the sale” shall be substituted;

(6) In sub-clause (7),—

(a) in item (i) of serial no. 7 of the Schedule proposed to be substituted by item (b),—

(i) sub-item (d) and the entries against it in columns (2) and (3) shall be omitted;

(ii) sub-item (e) shall be renumbered as sub-item (d) and for sub-item (d) as so renumbered the following sub-item shall be substituted, namely:—

“(d) Vehicles permitted to operate within the State

| | |
|--|--------|
| (i) Ordinary Contract Carriage permitted to carry more than 6 passengers but not more than 12 passengers-for every passenger | 310.00 |
| (ii) Ordinary Contract Carriage permitted to carry more than 12 passengers but not more than 20 passengers-for every passenger | 530.00 |
| (iii) Ordinary Contract Carriage permitted to carry more than 20 passengers-for every passenger | 750.00 |
| (iv) Contract Carriage fitted with push back seats and permitted to carry more than 6 passengers but not more than 12 passengers-for every passenger | 500.00 |

| | |
|--|---------|
| (v) Contract Carriage fitted with push back seats and permitted to carry more than 12 passengers but not more than 20 passengers-for every passenger | 750.00 |
| (vi) Contract Carriage with push back seats and permitted to carry more than 20 passengers-for every passenger | 1000.00 |
| (vii) Contract Carriage fitted with sleeper berths and permitted to carry more than 6 passengers but not more than 12 passengers-for every passenger | 1000.00 |
| (viii) Contract Carriage fitted with sleeper berths and permitted to carry more than 12 passengers but not more than 20 passengers-for every passenger | 1500.00 |
| (ix) Contract Carriage fitted with sleeper berths and permitted to carry more than 20 passengers-for every passenger | 2000.00 |

(iii) sub-item (f) shall be renumbered as sub-item (e) and for sub-item (e) as so renumbered the following sub-item shall be substituted, namely:—

“(e) Vehicles registered in Kerala and operating Inter-State after obtaining permit under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)

| | |
|--|---------|
| (i) Ordinary Contract Carriage permitted to carry more than 6 passengers-for every passenger | 1540.00 |
| (ii) Contract Carriage with push back seats and permitted to carry more than 6 passengers-for every passenger | 2000.00 |
| (iii) Contract Carriage with sleeper berths and permitted to carry more than 6 passengers-for every passenger.”; | 3000.00 |

(iv) sub-item (g) shall be renumbered as sub-item (f);

(b) after item (d) of sub-clause (7) of the Bill the following item shall be inserted, namely:—

“(da) in the proviso to the schedule after paragraph (6) the following paragraph shall be inserted, namely:—

“(7) in the case of Contract Carriage having ordinary seats, push back seats and sleeper berths, tax shall be realised for the vehicle on the basis of actual number of seats of each kind, at the rate prescribed in the schedule.” ”;

(c) for serial number A and the entries thereunder in columns (2) and (3) in Annexure I, proposed to be substituted by sub-item (i) of item (e), the following serial number and entries shall respectively be substituted, namely:—

“A. New Motor Cycles (including Motor Scooters and Cycles with attachments for propelling the same by mechanical power) and three wheelers (including tricycles and cycle rickshaws with attachment for propelling the same by mechanical power) not used for transport of goods or passengers and Private Service Vehicle for personal use (NTV), Motor Cars, Motor Cabs, Tourist Motor Cabs and Construction Equipment Vehicles.

- | | |
|--|--|
| 1. Motor Cycles (including motor Scooters and cycles with attachments for propelling the same by mechanical power) and bicycles of all categories with or without side car or drawing a trailer having purchase value up to rupees 1 lakh. | 6% of the purchase value of the vehicle. |
| 2. Motor Cycles (including motor Scooters and cycles with attachments for propelling the same by mechanical power) and bicycles of all categories with or without side car or drawing a trailer having purchase value above rupees 1 lakh. | 8% of the purchase value of the vehicle. |
| 3. Three Wheelers (including tricycles and cycle rickshaws with attachment for propelling the same by mechanical power) not used for transport of goods or passengers. | 6% of the purchase value of the vehicle. |

- | | | |
|-----|---|---|
| 4. | Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value up to rupees 5 lakhs. | 6% of the purchase value of the vehicle. |
| 5. | Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value more than rupees 5 lakhs and up to rupees 10 lakhs. | 8% of the purchase value of the vehicle. |
| 6. | Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value more than rupees 10 lakhs and up to rupees 15 lakhs. | 10% of the purchase value of the vehicle. |
| 7. | Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value more than rupees 15 lakhs. | 15% of the purchase value of the vehicle. |
| 8. | Motor Cabs having Cubic Capacity below 1500 cc. | 6% of the purchase value of the vehicle. |
| 9. | Tourist Motor Cabs having Cubic Capacity below 1500 cc and having purchase value up to rupees 10 lakhs. | 6% of the purchase value of the vehicle. |
| 10. | Tourist Motor Cabs having cubic capacity below 1500 cc and having purchase value above rupees 10 lakhs. | 10% of the purchase value of the vehicle. |
| 11. | Motor Cabs and Tourist Motor Cabs having Cubic Capacity 1500 cc and above and having purchase value up to rupees 15 lakhs. | 10% of the purchase value of the vehicle. |
| 12. | Motor Cabs and Tourist Motor Cabs having Cubic Capacity 1500 cc and above and having purchase value above rupees 15 lakhs. | 15% of the purchase value of the vehicle. |
| 13. | Construction Equipment Vehicles such as excavators, loaders, backhoe, compactor rollers, road rollers, dumpers, motor graders, mobile cranes, dozers, fork lift trucks, self loading concrete mixers etc. | 6% of the purchase value of the vehicle. |

(d) in serial number E and F of Annexure I proposed to be inserted by sub- item (ii) of item (e), for the words “ Motor cabs, Tourist motor cabs and Luxury Taxis” in column (2), the words “ Motor cabs and Tourist motor cabs” shall be substituted.

Clause 9

In sub-clause (1) for the words and figures “31st July, 2014”, the words and figures “31st August, 2014” shall be substituted.

Clause 10

(1) In sub-clause (3),—

(a) in the fifth proviso to sub-section (1) of section 6 of the Kerala Value Added Tax Act, 2003 (30 of 2004), proposed to be substituted by sub-item (ii) of item(a),—

(i) for the word “and” occurring at the end of paragraph (a), the word “or”, shall be substituted;

(ii) in paragraph (b), for the words “ their approved dealers”, the words “direct suppliers authorised by them” shall be substituted;

(iii) the seventeenth proviso proposed to be substituted by sub-item(iii) of item (a), shall be omitted;

(2) For section “6A” proposed to be inserted by sub-clause (4) of the Bill, the following section shall be substituted, namely :—

“6A. *Payment of turnover tax of textile articles.*- Notwithstanding anything contained in section 6, every dealer shall pay turn over tax at the rate of two per cent on the turnover of sale of textile articles, included in serial numbers 11(2),17A,23A,46A and 51 of the First Schedule:

Provided that a dealer whose turnover of sale of such textiles in the State for the previous year is below rupees one crore, shall not be liable to pay turnover tax under this section:

Provided further that this levy would be applicable even if, the constitution of the business has been changed in the current year to proprietorship, firm or association of persons consisting of the proprietor, partner, director or persons of the dealer for the previous year.”;

(3) In sub-clause(5)—

(i) after the existing provisos the following proviso shall be inserted, namely:—

962/2014.

“Provided also that with respect to works contract awarded by Government of Kerala, Kerala Water Authority or local authorities, the contractor shall not be liable to pay tax under sub-section (2) of section 6 in respect of the purchase of soil, sand or rocks”;

(ii) In *Explanation 2* of clause (a) of section 8, proposed to be substituted by item(a), after the words and figures “31st March of an year”, the words, figures and brackets “(including 31st March, 2014)”, shall be inserted;

(iii) for item (b) of the Bill, the following item shall be substituted, namely:—

“(b) for clause (b), the following clause shall be substituted, namely:—

“(b) Any dealer producing granite metals and /or manufactured sand with the aid of mechanised machines may, at his option, instead of paying tax in accordance with the provisions of the said sections, pay tax at the following rates, namely:—

| <i>Machine description</i> | <i>Compounded tax</i> |
|--|---------------------------|
| (1) | (2) |
| i. for each crushing machine of jaw size not exceeding 30.48 cm x 22.86cm | Rs.80,000 per annum |
| ii. for each crushing machine of jaw size exceeding 30.48 cm. x 22.86cm. but not exceeding 40.64 cm. x 25.40 cm. | Rs. 3.20 lakhs per annum |
| iii. for each crushing machine of jaw size exceeding 40.64. cm x 25.40 cm. | Rs. 6.40 lakhs per annum |
| iv. for each cone crusher | Rs. 36 lakhs per annum |
| v. for each Vertical /Horizontal shaft Impactor machines with output production capacity upto 25 Metric Tonne per hour | Rs. 6.25 lakhs per annum |
| vi. for each Vertical /Horizontal shaft Impactor machines of similar machines with output production capacity of above 25 Metric Tonne upto 50 Metric Tonne per hour | Rs. 12.50 lakhs per annum |

| (1) | (2) |
|--|---------------------------|
| vii. for each Vertical /Horizontal shaft Impactor machines of similar machines with output production capacity of above 50 Metric Tonne upto 100 Metric Tonne per hour | Rs. 22.50 lakhs per annum |
| viii. for each Vertical /Horizontal shaft Impactor machines of similar machines with output production capacity of above 100 Metric Tonne upto 150 Metric Tonne per hour | Rs. 32.50 lakhs per annum |
| ix. for each Vertical /Horizontal Shaft Impactor machines of similar machines with output production capacity of above 150 Metric Tonne upto 200 Metric Tonne per hour | Rs. 45 lakhs per annum |
| x. for each Vertical /Horizontal shaft Impactor machines of similar machines with output production capacity of above 200 Metric Tonne per hour | Rs. 60 lakhs per annum |

Explanation.—For the purpose of this clause, primary crushers falling under the description of item (i),(ii) or (iii) above, shall also be reckoned for the purpose of computation of compounded tax, and the rate applicable to primary crushers shall be at fifty per cent of the aggregate of the tax payable on secondary crushers:

Provided that notwithstanding anything contained in this clause, dealers with a single crushing machine of size not exceeding 30.48cm. x 22.86cm. shall pay rupees thirty thousand only per annum and those with a single crushing machine of size above 30.48cm. x 22.86 cm. but not exceeding 40.64 cm. x 25. 40 cm. shall pay rupees one lakh twenty thousand only per annum as tax under this clause:

Provided further that notwithstanding anything contained in this clause, dealers having Vertical /Horizontal Shaft Impactor machines or similar machines along with jaw crushers/ cone crushers shall pay only sixty per cent of the relevant rate of compounded tax for each of such Vertical /Horizontal Shaft Impactor machines or similar machines, in addition to the tax on crushing machines, as compounded tax under this clause:

Provided also that the compounded tax payable shall be determined for an year and shall be payable in 12 equal monthly instalments.”.”;

(iii) In *Explanation 2* of clause (f) of section 8 proposed to be substituted by item(e),the following proviso shall be inserted, namely:—

“Provided that this explanation shall not be applicable to dealers who had paid compounded tax in respect of their branches started in the year 2013-2014 on the basis of average tax paid for the principal place of business and other branches for the year 2014-2015.”

(iv) in Explanation 6 after paragraph (iii), following proviso shall be inserted, namely:—

“Provided that the tax collected by dealers at the rate not exceeding 1.25 % during the year 2013-14 shall be deemed to be validly collected”.

(v) item (f) shall be omitted;

(4) after sub-clause (5) the following sub-clause shall be inserted, namely:—

“(5A) in section 10, in sub-section (1) for the words “the fifth day of the month”, the words “the twentieth day of the month”, shall be substituted;

(5) in sub-clause(17),—

(a) sub-item (i),(ii),(iii),(iv) and (v) of item (a) shall be renumbered as sub-item (ii),(iii),(iv),(v) and (vi) respectively and before sub-item(ii) as so renumbered, the following sub-item shall be inserted, namely:—

“(i) in serial number 4A, item number(2) and the entries against it in columns (2)and (3) shall be omitted”;

(b) for sub-item (ii) as so renumbered, the following sub-item shall be substituted, namely:—

“(ii) after serial number 18 and the entries against it in columns (2) and (3), the following serial number and entries shall , respectively, be inserted , namely :—

“18A Flour, Sooji,

| | |
|---------------------------|------------|
| (1) Wheat or Meslin flour | 1101.00.00 |
| (2) Maida | ***** |
| (3) Sooji | *****” |

(c) in serial number 48A, proposed to be inserted by item (vi), the word “exclusively”shall be omitted.

(d) after sub-item (vi) as so inserted, the following sub-item shall be inserted, namely:—

“(vii) after serial number 54 and the entries against it in columns (2) and (3) the following serial number and entries shall respectively, be inserted, namely:—

“54A Wheat including broken Wheat 1001”.”

(e) in item (b) of the Bill, for serial number 2C of the Schedule and the entries against in columns (2) and (3), proposed to be substituted by sub-item (ii), the following serial number and entries shall, respectively, be substituted, namely:—

“2C. Flour other than those specifically mentioned in the First Schedule

| | |
|--|------------|
| (1) Rye flour | 1102.10.00 |
| (2) Maize (corn flour) | 1102.20.00 |
| (3) Rice flour (puttu podi and the like) | 1102.30.00 |
| (4) Other cereal flour | 1102.90.00 |

(f) after sub-item (ii) of item (b), the following sub-item shall be inserted, namely:—

“(iia) after serial number 2C and the entries against it in columns (2) and (3) the following serial numbers and entries shall, respectively, be inserted, namely:—

“2D.Washing soap bars and cakes
manufactured using coconut oil; ****”,”

(g) after sub-item (iii) of item (b), the following sub-item shall be inserted, namely:—

“(iv) serial number 7 and the entries against it in columns (2) and (3) shall be omitted;

(h) after sub-item (ix)of item (c) of sub-clause 17, the following sub-items shall be inserted, namely:—

XX

(ixa) in serial no. 36, the following proviso shall be inserted, namely:—

“Provided that the tax, if any, collected during the period from 13th day of November, 2009 to 31st day of March, 2012 shall not be refunded.”;

4. All other changes are either verbal or consequential.

5. The minutes of dissent is appended.

Thiruvananthapuram,
9th July, 2014.

K. M. MANI,
Chairman,
Subject Committee VIII.

APPENDIX

വിയോജനക്കുറിപ്പ്

താഴെപ്പറയുന്ന കാരണങ്ങളാൽ ഞങ്ങൾ 2014-ലെ കേരള ധനകാര്യ ബിൽ സംബന്ധിച്ച സബ്ജക്ട് കമ്മിറ്റി റിപ്പോർട്ടിനോട് വിയോജിക്കുന്നു:

1. 1955-ലെ തിരുവിതാംകൂർ-കൊച്ചി സാഹിത്യ ശാസ്ത്രീയ ധാർമ്മിക സംഘങ്ങൾ രജിസ്ട്രേഷൻ നിയമത്തിലെ വിവിധ സെക്ഷനുകൾപ്രകാരമുള്ള പിഴ 2013-ൽ പുതുക്കി നിശ്ചയിച്ചതിൽനിന്ന് 1991-ലെ നിരക്കിലേക്ക് കുറവ് ചെയ്തിരിക്കുന്നു. രജിസ്ട്രേഷൻ നടത്തി 21 ദിവസത്തിനകം രജിസ്റ്റേർഡ് ഓഫീസ് സുരൂപിച്ച് വിലാസം അറിയിക്കാതിരിക്കുക, 15 മാസത്തിലൊരിക്കലൊരിക്കലും വാർഷിക പൊതുയോഗം ചേരാതിരിക്കുക, അക്കൗണ്ടുകൾ നിയതമായ രീതിയിൽ സൂക്ഷിക്കാതിരിക്കുക, വാർഷിക കണക്ക് പൊതുയോഗത്തിനുമുമ്പാകെ വയ്ക്കാതിരിക്കുക, അംഗങ്ങളുടെ രജിസ്റ്റർ കൃത്യമായി നിയതമായ രീതിയിൽ സൂക്ഷിക്കാതിരിക്കുക, സംഘത്തിന്റെ മെമ്പറാണെന്നതിലോ ചട്ടങ്ങൾ, റഗുലേഷനുകൾ ഇവയിലോ രജിസ്ട്രാർ നിർദ്ദേശിക്കുന്ന ഷേഗതി യഥാസമയം വരുത്താതിരിക്കുക എന്നീ വീഴ്ചകൾക്കുള്ള പിഴയാണ് കുറവ് ചെയ്തിരിക്കുന്നത്. പല സംഘങ്ങളും അവരുടെതല്ലാത്ത കാരണം കൊണ്ട് അധിക തുക നൽകേണ്ടി വരുന്നതിനാലാണ് പിഴ തുകയിൽ കുറവ് വരുത്തിയിരിക്കുന്നതെന്ന് പറയുന്നു. മേൽപ്പറഞ്ഞ വീഴ്ചകൾക്കുള്ള പിഴ കുറയ്ക്കുന്നത് ആശാസ്യമല്ല. സംഘങ്ങളുടെതല്ലാത്ത കാരണങ്ങൾക്കാണ് പിഴയെങ്കിൽ അത് കുറയ്ക്കുകയല്ല, ഒഴിവാക്കുകയാണ് വേണ്ടത്.
2. മുൻസിപ്പൽ കോർപ്പറേഷൻ പരിധിയിൽ വരുന്ന വസ്തുക്കളുടെ സ്റ്റാമ്പ് ഡ്യൂട്ടി 7 ശതമാനത്തിൽനിന്ന് 6 ശതമാനമായി കുറയ്ക്കുകയും ഗ്രാമപഞ്ചായത്തുകളിലെ സ്ഥലത്തിന്റെ സ്റ്റാമ്പ് ഡ്യൂട്ടി 5 ശതമാനത്തിൽനിന്ന് 6 ശതമാനമായി വർദ്ധിപ്പിക്കുകയും ചെയ്തത് യുക്തിസഹമല്ല.
3. സഹകരണ സംഘങ്ങളിലെ മന്ദിരി ഡെപ്യൂസിറ്റ് സ്കീമുകളിലെ ഡെപ്യൂസിറ്റർമാരിൽനിന്ന് 100 രൂപാവിതം രജിസ്ട്രേഷൻ ഫീസ് ഈടാക്കുന്നത് ഒഴിവാക്കേണ്ടതാണ്.
4. വാണിജ്യ ബാങ്കുകളിൽ നിന്നെടുക്കുന്ന പണയ വായ്പയുടെ രജിസ്ട്രേഷൻ ഫീസ് നിരക്കും റീ കൺവേയൻസ് ആധാരങ്ങളുടെ ഫീസ് നിരക്കും നിലവിലുള്ള 2 ശതമാനത്തിൽ നിന്ന് പരമാവധി 500 രൂപയിൽ നിരപ്പെടുത്തി ഒരു ശതമാനമായി കുറയ്ക്കുന്ന പ്രഖ്യാപനം നടപ്പിലാക്കാൻവേണ്ട ഷേഗതി ഈ ബില്ലിൽ ഉൾപ്പെടുത്തിയിട്ടില്ല.

5. കെട്ടിട നികുതി തുക ഇരട്ടിയാക്കിയതിൽനിന്ന് 200 എം2 (2153 സ്ക്വ.ഫീറ്റ്) വരെയുള്ള വാസ്തുപഠനങ്ങളെ ഒഴിവാക്കേണ്ടതാണ്. അതുപോലെ മറ്റ് കെട്ടിടങ്ങളുടെ നികുതി വർദ്ധനവിൽനിന്ന് 100 എം2 (1076 സ്ക്വ.ഫീറ്റ്) വരെയുള്ള കെട്ടിടങ്ങളേയും ഒഴിവാക്കേണ്ടതാണ്.
6. സാധാരണക്കാരുടെ വാഹനമെന്നത് കണക്കിലെടുത്ത് ഒരു ലക്ഷത്തിൽ താഴെ വിലയുള്ള ഇറക്കുമതി ചെയ്തതല്ലാത്ത മോട്ടോർ ബൈക്കുകൾക്കും അഞ്ചു ലക്ഷത്തിൽ താഴെ വിലയുള്ള ഇറക്കുമതി ചെയ്തതല്ലാത്ത മോട്ടോർ കാറുകൾക്കും ഒറ്റത്തവണ നികുതി നിരക്കിൽ വരുത്തിയിരിക്കുന്ന വർദ്ധനവ് ഒഴിവാക്കേണ്ടതാണ്. പുഷ്പാക്ക് സീറ്റുകളുടെ നികുതി നിരക്കിൽ ഇനിയും ഇളവ് അനുവദിക്കേണ്ടതാണ്.
7. ഒരു കോടിയിലധികം വിറ്റുവരവുള്ള വസ്തു വ്യാപാരികൾക്ക് ടേൺ ഓവർ ടാക്സ് ഏർപ്പെടുത്തുന്നത് തുണിത്തരങ്ങൾക്ക് പരമാവധി വിലയ്ക്കു വില്പന വില നിശ്ചയിച്ചിട്ടില്ലാത്തതിനാൽ തുണിത്തരങ്ങളുടെയാകെ വിലവർദ്ധനവിന് കാരണമാകും. ഇന്ത്യയിൽ ഒരു സംസ്ഥാനത്തും തുണിയുടെ മേൽ നികുതിയില്ല. ഇത് വാറ്റ് നികുതിക്ക് വിരുദ്ധമാണ്. വാറ്റ് നികുതി നിയമകേൾഗതിയായി അവതരിപ്പിക്കാൻ പാടുള്ളതല്ല.
8. അന്യസംസ്ഥാനത്തുനിന്നോ അന്യരാജ്യത്ത് നിന്നോ നിർമ്മാണ വസ്തുക്കൾ ഇറക്കുമതിചെയ്തു പണിചെയ്യുന്ന നിർമ്മാതാക്കൾക്കും കരാറുകാർക്കും 6 ശതമാനം നിരക്കിൽ നികുതി കോമ്പൗണ്ട് ചെയ്യാമെന്നത് സംസ്ഥാനത്തുനിന്ന് 14.5 % നിരക്കിൽ നികുതി നൽകി വാങ്ങുന്ന വസ്തുക്കൾ ഉപയോഗിച്ച് നിർമ്മാണം നടത്തുന്നവരെ പ്രതികൂലമായി ബാധിക്കുകയും ആത്യന്തികമായി 2% കേന്ദ്ര വിൽപ്പന നികുതി മാത്രം നൽകി അന്യസംസ്ഥാനത്തുനിന്ന് നിർമ്മാണ വസ്തുക്കൾ കൊണ്ടുവരികയും സംസ്ഥാനത്തിന് വൻതോതിൽ നികുതി നഷ്ടമുണ്ടാകുകയും ചെയ്യും. അതുകൊണ്ട് ഇത്തരം നിർമ്മാതാക്കൾക്ക് കരാറുകാർക്ക് നികുതി കോമ്പൗണ്ട് ചെയ്യാൻ നല്ലീയ വ്യവസ്ഥ പിൻവലിക്കണം.
9. ഡീലർ ശേഖരിച്ച നികുതി യഥാസമയം സർക്കാരിലേക്ക് അടച്ചില്ലെങ്കിൽ 36% പലിശ ഈടാക്കാതെ വ്യവസ്ഥ നിയമാനുസൃതമാണെന്ന് കരുതാനാവില്ല. നിയമാനുസൃതമല്ലാത്ത വ്യവസ്ഥയ്ക്കു പകരം പിഴ ഈടാക്കാൻ വ്യവസ്ഥ ചെയ്യേണ്ടതാണ്.

10. ഡയറക്ട് ബെന്നിഫിറ്റ് ട്രാൻസ്ഫർ നടപ്പാക്കിയതിന്റെ ഭാഗമായി എൽ.പി.ജി. സിലിണ്ടറുകൾക്ക് സബ്സിഡി തുകയുടെ മേലും മൂല്യവർദ്ധിത നികുതി ബാധ്യത 2014 ജനുവരി 1 മുതൽ മുൻകാല പ്രാബല്യത്തോടെ ഒഴിവാക്കിയത് സ്വാഗതം ചെയ്യുന്നു. എന്നാൽ അതോടൊപ്പം ഇക്കാര്യം പരിചെയ്ത അധിക നികുതി തുക ഉപഭോക്താക്കൾക്ക് തിരികെ നൽകാൻ വ്യവസ്ഥ ചെയ്തിട്ടില്ല. ഇത് ഏജൻസികളുടെ ലാഭം വർദ്ധിപ്പിക്കാനായി വിട്ടുനൽകാൻ പാടില്ല.

11. സ്വർണ്ണ വ്യാപാരികളെ കോമ്പൗണ്ടിംഗ് സംവിധാനത്തിൽ തുടർന്നും നിലനിർത്തുന്നതിന് സഹായകരമായ രീതിയിൽ പുതിയ യൂണിറ്റുകൾക്കുള്ള കോമ്പൗണ്ടിംഗ് വ്യവസ്ഥകളിൽ മാറ്റം വരുത്തേണ്ടതാണ്.

- ഡോ. ടി. എം. തോമസ് ഐസക് (ഒപ്പ്)
- കെ. കഞ്ഞിരാമൻ (തൃക്കരിപ്പൂർ) (ഒപ്പ്)
- മുല്ലക്കര രത്നാകരൻ (ഒപ്പ്)
- കെ. വി. അബൂൾ ഖാദർ (ഒപ്പ്)
- ബാബു എം. പാലിശ്ശേരി (ഒപ്പ്)
- വി. ചെന്താമരാക്ഷൻ (ഒപ്പ്)
- വി. എസ്. സുനിൽ കുമാർ (ഒപ്പ്)
- സി. കെ. നാണു (ഒപ്പ്)
- കെ. കെ. ലതിക (ഒപ്പ്)

THE KERALA FINANCE BILL, 2014

(As reported by the Subject Committee)

[The words underlined/sidelined indicate the modifications suggested by the Committee. Omissions are indicated by asterisks]

A

BILL

to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2014-2015.

Preamble.—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2014-2015;

BE it enacted in the Sixty-fifth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance Act, 2014.

(2) Save as otherwise provided in this Act,—

(i) sub-section (10) of section 10, sub-clause (iv) of clause (a) and sub-clause (ix) of clause (c) of sub-section (17) of section 10 shall be deemed to have come into force on the 1st day of April, 2005;

(ii) clause (b) of sub-section (1) of section 7 shall be deemed to have come into force on the 1st day of April, 2007;

(iii) sub-clause (iv) of clause (c) of sub-section (17) of section 10 shall be deemed to have come into force on 13th November, 2009;

(iv) clause (e) of sub-section (5) of section 10 shall be deemed to have come into force on the 1st day of April, 2013;

(v) sub-section (2) of section 5 and sub-clause (x) of clause (c) of sub-section (17) of section 10 shall be deemed to have come into force on the 1st day of January, 2014;

(vi) Sections 2 to 4, sub-sections (1), (3) and (4) of section 5, section 6, clause (a) of sub-section (1) and sub-sections (2) to (7) of section 7, sections 8, 9, sub-sections (1) to (4), clauses (a) to (d) of sub-section (5), sub-sections (6) to (9), sub-sections 11 to 16, sub-clauses (i) to (iii), (v), (vi), (vii) of clause (a) sub-clause (i) to (iii) of clause (b), sub-clauses (i) to (iii) and (v) to (viii) of clause (c) and clause (d) of sub-section (17) of section 10 and section 11 shall be deemed to have come into force on the 1st day of April, 2014;

(vii) the remaining provisions of this Act shall come into force at once.

2. *Amendment of Act XII of 1955.*—In the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (XII of 1955),—

(1) in section 6, in sub-section (4), for the words “fifty rupees for every day during which the non-compliance continues”, the words “ten rupees for every day during which the non-compliance continues, subject to a maximum of fifty rupees” shall be substituted;

(2) in section 7, in sub-section (5), for the words “not exceeding one thousand rupees”, the words “of twenty rupees for every day during which the default continues, subject to a maximum of two hundred rupees” shall be substituted;

(3) in section 12, in sub-section (2), for the words “not exceeding one thousand rupees”, the words “of twenty rupees for every day during which the default continues, subject to a maximum of two hundred rupees” shall be substituted;

(4) in section 13, in sub-section (5), for the words “not exceeding one thousand rupees”, the words “of twenty rupees for every day during which the non-compliance continues, subject to a maximum of two hundred rupees” shall be substituted;

(5) in section 15, in sub-section (2), for the words “one hundred rupees for every day during which the default continues”, the words “twenty rupees for every day during which the default continues, subject to a maximum of two hundred rupees” shall be substituted;

(6) in section 22, in sub-section (2), for the words “one hundred rupees for every day during which the default continues”, the words “twenty rupees for every day during which the default continues, subject to a maximum of two hundred rupees” shall be substituted.

3. *Amendment of Act 17 of 1959.*—In the Kerala Stamp Act, 1959 (17 of 1959),—

(1) in section 28A,—

(a) after sub-section (1), the following sub-sections shall be inserted, namely:—

“(1A) Subject to such rules as may be prescribed, the fair value of land fixed under sub-section (1) may be revised by the Revenue Divisional Officer every five years or earlier if so directed by the Government, if in the opinion of the Government any substantial change of the fair value of land has

taken place .

(1B) Notwithstanding anything contained in this Act or the Rules made thereunder, the Government may, by notification published in the Official Gazette, make an increase of a fixed percentage in the fair value of land fixed as per sub-section (1), from time to time, before revision is made under sub-section (1A) and the value so increased shall be deemed to be the fair value of the land fixed under sub-section (1).”;

(b) in sub-section (3), after the words, brackets and figure “under sub-section (1)”, the words, brackets, figure and letter “and the revised fair value of land fixed under sub-section (1A)” shall be inserted;

(c) in sub-section (4), after the words, brackets and figure “under sub-section (1)”, the words, brackets, figure and letter “or the revision of fair value under sub-section (1A)” shall be inserted;

(2) in the SCHEDULE,—

(a) in serial number 5, the clause (d) shall be renumbered as clause (g) and before clause (g) as so renumbered, the following clauses shall be inserted, namely:—

- “(d) if relating to monthly deposit scheme (MDS) One hundred rupees in similar to that of chitties, of whatever name respect of each depositor. called, between a co-operative Bank/Society and a depositor
- (e) if relating to installation of ATM machine, Two thousand and five between a bank and the land owner or hundred rupees per renewal thereof year.
- (f) if relating to installation of Mobile Tower, Five thousand rupees between a company and the land owner or per year.”;
- renewal thereof

(b) for serial number 10, and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“10. Articles of Association of a Company,—

- (a) if relating to companies having authorised capital Two thousand up to Rs. 10 lakhs rupees.

- (b) if relating to companies having authorised capital above Rs. 10 lakhs and up to Rs. 25 lakhs Five thousand rupees.
- (c) if relating to companies having authorised capital above Rs. 25 lakhs 0.5 per cent of the paid up capital.”;

(c) in serial number 19, in the entry in column (3), for the words “Twenty five rupees”, the words “Fifty rupees” shall be substituted;

(d) in serial number 21, in clause (i), in the entry in column (3), for the words “Five rupees”, the words “Six rupees” shall be substituted;

(e) in serial number 22, in clause (II), in the entries in column (3), for the words “Seven rupees”, the words “Six rupees” shall be substituted;

(f) after serial number 36 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“36A. Memorandum of association and rules and regulations of a charitable society under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (Act XII of 1955) or under the Societies Registration Act, 1860 (Central Act 21 of 1860) Five hundred rupees.”;

(g) in serial number 37,—

(i) after clause (c) and the entries against it in columns (2) and (3), the following clause and entries shall, respectively, be inserted, namely:—

“(d) When executed in favour of commercial banks for securing loans 0.5 per cent for the amount secured subject to a maximum of rupees 20,000.”;

(ii) the existing Exemption shall be numbered as 1, and after Exemption 1, as so numbered, the following Exemption shall be inserted, namely:—

2. Instruments executed for securing agricultural and educational loans granted by commercial banks”.

4. *Amendment of Act 17 of 1960.*—In the Kerala Plantation Tax Act, 1960 (17 of 1960), in section 3, to sub-section (1), the following proviso shall be inserted, namely:—

“Provided that no plantation tax shall be charged on any person cultivating coconut, arecanut or pepper and persons other than companies coming under the Plantation Labour Act, 1951 (Central Act 19 of 1951).”.

5. *Amendment of Act 15 of 1963.*—In the Kerala General Sales Tax Act, 1963 (15 of 1963),—

(1) in section 7,—

(a) for the words, letters and brackets “clauses (a) or (b) of items (i) and (ii) respectively, whichever is higher”, the words, letters and brackets “in item (i) or (ii), as the case may be” shall be substituted;

(b) for item (i), the following item shall be substituted, namely:—

“(i) in respect of a bar attached hotel of and below two star, at one hundred and sixty per cent of the purchase value of such liquor.”;

(c) in item (ii), after the words “hotel of three stars”, the words, letters and brackets “as per clause (a) or (b) below, whichever is higher” shall be inserted;

(d) the proviso shall be omitted;

(2) in section 23B,—

(a) in sub-section (3), for the words and figures “31st December, 2013”, the words and figures “31st August, 2014”, shall be substituted;

(b) in sub-section (4), for the words and figures “31st December, 2013”, the words and figures “31st December, 2014”, shall be substituted;

“[****]”

(3) in section 23BA,—

(a) the words “and Co-operative Societies” in the marginal heading and the words “or co-operative society”, wherever they occur, shall be omitted;

(aa) for the words “public sector undertakings”, the words “public sector undertakings excluding oil marketing companies”, shall be substituted;

(b) in sub-section (2), for the words and figures “before 30th September, 2011”, the words and figures “before 31st July, 2014” shall be substituted;

(c) in sub-section (3), for the words and figures “before 30th September, 2011”, the words and figures “31st December, 2014” shall be substituted;

(d) the Note shall be omitted;

(4) in the SCHEDULE, in serial number “2 .Foreign Liquor”, for item (ii) and the entries against it, the following items and entries shall, respectively, be substituted, namely:—

| | |
|---|------|
| “(ii) other than Beer and Wine, for which purchase value incurred is rupees 400 per case or more; | 115 |
| “(iii) other Foreign Liquor, not covered under items (i) and (ii) above | 105. |

Explanation.—For the purpose of this Schedule,—

(i) “case” means, 48 bottles of 180 ml each, or 24 bottles of 375 ml. each, or 18 bottles of 500 ml. each or 12 bottles of 750 ml. each, or 9 bottles of 1000 ml. each or 6 bottles of 1500 ml. each;

(ii) “purchase value” means the value at which the Kerala State Beverages (Manufacturing and Marketing) Corporation Limited purchases such liquor from the suppliers and in case any liquor is not purchased by the Kerala State Beverages (Manufacturing and Marketing) Corporation Limited, such value as fixed by the Commissioner of Excise, for the purpose of levy of duties as per the Abkari Act, 1077 (1 of 1077).”.

6. *Amendment of Act 7 of 1975.*—In the Kerala Building Tax Act, 1975 (7 of 1975),—

(1) in section 3,—

(a) in clause (b) of sub-section (1), after the word “workshops”, the words and symbols “or cattle/pig/poultry farms or poly houses” shall be inserted;

(b) the existing *Explanation* shall be numbered as “*Explanation I*” and after *Explanation I* as so numbered, the following *Explanations* shall be inserted, namely:—

“*Explanation II.*—For the purpose of this sub-section,—

(i) “cattle/pig/poultry farms” shall have the same meanings as assigned to them in clauses (d), (m) and (n) respectively in rule 2 of the Kerala Panchayat Raj (Licensing of Live stock farms) Rules, 2012, but shall not include the farms exclusively used for the purpose of sale.

(ii) Cattle/pig/poultry farms shall have the minimum number of animals or birds, as the case may be, as provided in sub-rule (1) of rule 3 of the said Rules.

Explanation III.— “poly house” means any building erected for cultivation purposes under controlled climatic conditions.”;

(2) in section 5A, for the words “two thousand rupees”, the words “four thousand rupees” shall be substituted;

(3) in the SCHEDULE, for the existing TABLE except the Notes thereunder, the following Table shall be substituted, namely:—

“TABLE
Rate of Building tax

| <i>Plinth Area</i> | <i>Grama Panchayat other than Special Grade Grama Panchayat (Rupees)</i> | <i>Special Grade Grama Panchayat/ Town Panchayat/ Municipal Council (Rupees)</i> | <i>Municipal Corporation (Rupees)</i> |
|---|--|--|--|
| (1) | (2) | (3) | (4) |
| Residential Buildings: | | | |
| Not exceeding 100 square metres | Nil | Nil | Nil |
| Above 100 square metres but not exceeding 150 square metres | 1500 | 2700 | 4050 |
| Above 150 square metres but not exceeding 200 square metres | 3000 | 5400 | 8100 |
| Above 200 square metres but not exceeding 250 square metres | 6000 | 10800 | 16200 |
| Exceeding 250 square metres | 6000 plus Rs.1200 for every additional 10 square metres | 10800 plus Rs. 2400 for every additional 10 square metres | 16200 plus Rs. 3000 for every additional 10 square metres |

| (1) | (2) | (3) | (4) |
|---|--|--|---|
| Other Buildings: | | | |
| Not exceeding 50 square metres | Nil | Nil | Nil |
| Above 50 square metres but not exceeding 75 square metres | 1500 | 3000 | 6000 |
| Above 75 square metres but not exceeding 100 square metres | 2250 | 4500 | 9000 |
| Above 100 square metres but not exceeding 150 square metres | 4500 | 9000 | 18000 |
| Above 150 square metres but not exceeding 200 square metres | 9000 | 18000 | 36000 |
| Above 200 square metres but not exceeding 250 square metres | 18000 | 36000 | 54000 |
| Exceeding 250 square metres | 18000 plus Rs. 1800 for every additional 10 square metres | 36000 plus Rs. 3600 for every additional 10 square metres | 54000 plus Rs. 4500 for every additional 10 square metres.”. |

7. *Amendment of Act 19 of 1976.*—In the Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976),—

(1) in section 2,—

(a) the existing clause (aa) shall be renumbered as clause (ab) and before clause (ab) as so renumbered, the following clause shall be inserted, namely:—

“(aa) “e-payment” means remittance of tax using e-payment gateway by transfer of the amount to the account of Motor Vehicles Department from the account of a registered owner or any other person in any Bank or by using Credit/Debit Cards.”;

(b) for clause (e) the following clause shall be substituted, namely:—

“(e) “purchase value” means the value of the vehicle as shown in the purchase invoice and includes value added tax, cess and customs/excise duty chargeable on vehicles:

Provided that the discount or rebate given by the dealer to the registered owner shall not be deducted from the bill amount for computing the purchase value:

Provided further that where the purchase value of any vehicle including a vehicle imported from other countries or a vehicle acquired or obtained otherwise than by way of purchase is not ascertainable on account of non availability of the invoice, the purchase value shall be the value or price of the vehicles of the same specifications which are already registered or available with the manufacturer or as fixed by the Customs and Central Excise Department for the purpose of levying customs duty and includes excise or customs duty levied on the purchase of a motor vehicle, as the case may be.”;

(c) the existing clause (ee) shall be renumbered as clause (eb) and before clause (eb) as so renumbered the following clause shall be inserted, namely:—

“(ea) “push back seat” means the seat, backrest of which can be adjusted or tilted to the comfort of the passenger.”;

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

“(fa) “sleeper berth” means a berth or a seat which can be adjusted or converted as a berth for the comfort of the passenger.”;

(2) in section 3,—

(a) in sub-section (1),—

(i) for the second proviso, the following proviso shall be substituted, namely:—

“Provided further that in respect of a new motor vehicle of any of the classes specified in items 1, 2, 6, 7(i)(b), 7(i)(c), [****] 10(iii) and 11(i) of the Schedule, there shall be levied, from the date of purchase of the vehicle, one time tax at the rate specified in Annexure I, at the time of first registration of the vehicle and thereafter tax shall be levied at the time of renewal of registration of such vehicle or on the expiry of the life time tax already paid at the rate specified in the Schedule as per fourth proviso to sub-section (1) of section 4.”;

(ii) the third proviso shall be omitted;

(iii) for the fourth proviso, the following proviso shall be substituted, namely:—

Provided also that in respect of old motor cycles specified in item (1), old three wheelers specified in item (2), new goods carriages specified in item 3(i)(a) to 3(i)(e) and 3(ii)(a) to 3(ii)(e) and old motor cars specified in item 11 (i) of the Schedule, there shall be, levied a tax in advance for a period of five years after the expiry of the period in respect of which tax has been paid at the rate specified in Annexure II and for new Autorickshaws specified in item number 7 (i) (a), there shall be levied a tax in advance for a period of five years at the rate specified in Annexure II at the time of first registration of the vehicle and thereafter tax shall be levied for five years or for one year at the rate specified in the seventh proviso to sub-section (1) of section 4.” ;

(b) in sub-section (5), in the existing proviso, for the words, brackets and figure “under sub-section (9)”, the words, brackets and figures “under sub-sections (8) and (9)” shall be substituted;

(3) in section 4,—

(a) in sub-section (1),—

(i) in the fourth proviso, for the words, figures, brackets and letters, after the words, brackets and figure “or passengers specified in item 2 of the Schedule”, the following words, figures, brackets and letters, shall be substituted, namely:—

“or goods carriage specified in items 3(i)(a) to 3(i)(e), 3(ii)(a) to 3(ii)(e), new autorickshaws specified in item 7(i)(a) or old motor cars specified in item 11(i) of the Schedule shall pay tax in respect of those vehicles in advance for a period of five years in lump sum upon a licence for such period.”;

(ii) for the fifth proviso, the following proviso shall be substituted, namely:—

“Provided also that the registered owner or a person liable to pay tax in respect of Private Service Vehicle (Non-Transport Vehicle) for personal use specified in item 6 [****] and Construction equipment vehicles specified in item 10(iii) of the Schedule, shall remit tax in lump sum for 2 years after the expiry of existing tax period at the rate specified in column (3) of the respective items in the Schedule.”;

(iii) for the sixth proviso, the following proviso shall be substituted, namely:—

“Provided also that the registered owner or a person liable to pay tax in respect of vehicle specified in items 1, 2, 3(i)(a) to 3(i)(e), 3(ii)(a) to 3(ii)(e), 6, 7(i)(a) to 7(i)(c), 10(iii) and 11(i) of the Schedule for which one time or lump sum tax has been paid, shall not be liable to pay any periodical increase in tax during the period for which he has paid tax for such vehicle.”;

(iv) for the seventh proviso, the following proviso shall be substituted, namely:—

“Provided also that the owner or a person liable to pay tax in respect of autorickshaws specified in item 7 (i)(a), motor cab specified in 7(i)(b) and tourist motor cab specified in 7 (i)(c) of the Schedule shall have an option to remit tax in lump sum for five years at the rate specified in Annexure II or to remit tax for one year at the rate specified in item number 7 (i) (a) to 7 (i)(c) of the Schedule respectively”;

(b) in sub-section (3), after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that clause (b) of this sub-section shall not be applicable to e-payment of tax.”;

(4) in section 8 for the words, “motor vehicle” the words, “transport vehicle” shall be substituted;

(5) for section 11, the following section shall be substituted, namely:—

“11. *Power to seize, detain and sell motor vehicles.*—(1) Any officer of the Motor Vehicles Department not below the rank of Assistant Motor Vehicles Inspector authorised in this behalf by the Government or any Police Officer not below the rank of Sub-Inspector may, if he has reason to believe that a taxable motor vehicle is used or kept for use in the State without paying tax, seize and detain that vehicle and make necessary arrangements for the safe custody of that vehicle pending production of proof of payment of tax.

(2) Where the tax due, in respect of the vehicle seized and detained under sub-section (1), is not paid within 30 days from the date of such seizure and detention, the officer authorised by the Government in this behalf may serve a notice in such manner as may be prescribed to the registered owner or the person who had the possession or control of the vehicle, immediately before such seizure and detention. After considering the objections, if any, filed by such person, if the authorised officer is satisfied that, the tax due has not been paid so far, he shall recover the tax due by sale of such vehicle in the manner as may be prescribed:

Provided that no such vehicle shall be sold if the tax due is paid at any time before the date of notification of the sale.

(3) Where the registered owner or the person having possession or control of the vehicle does not raise any objection to the notice served in sub-section (2), the authorised officer shall conduct sale of such vehicle as provided in sub-section (2).

(4) Where the tax due in respect of the vehicle seized and detained by the Police Officer under sub-section (1) is not paid within 30 days from the date of such seizure and detention, the Police Officer concerned shall transfer such vehicle to the Motor Vehicles Department along with a report thereon. After the receipt of such report, the authorised officer shall conduct the sale of such vehicle under sub-section (2).”;

(6) after section 12, the following section shall be inserted, namely:—

“12A. *Interest on tax payable when tax is not paid.*—Where any person fails to pay the tax payable under section 3 within a period of six months from the date of expiry of the prescribed period for payment of the same, he shall be liable to pay interest on such tax at the rate of twelve per cent per annum, in addition to the additional tax payable under section 12, until the realisation of the amount:

Provided that the interest payable under this section shall not exceed the amount of tax payable.”;

(7) in the SCHEDULE,—

(a) for serial numbers 1 and 2 and the entries against them in columns (2) and (3), the following serial numbers and entries shall, respectively, be substituted, namely:—

- | | |
|--|---------|
| “1. Motor Cycles (including Motor Scooters and cycles with attachment for propelling the same by mechanical power) | 45.00 |
| 2. Three wheeler (including tri-cycles and cycle rickshaws with attachment for propelling the same by mechanical power) not used for transport of goods or passengers. | 45.00”; |

(b) in serial number 7, for item (i) and the entries thereunder in columns (2) and (3), the following items and entries shall respectively, be substituted, namely:—

“(i) **Vehicles permitted to ply solely as contract carriage**

- | | |
|--|--------|
| (a) and to carry not more than 3 passengers (Autorickshaw) | 125.00 |
| (b) and to carry more than 2 passengers but not more than 6 passengers other than tourist motor cabs (motor cab) | 350.00 |

| | |
|---|---------|
| (c) Tourist Motor Cabs | 425.00 |
| [****] | |
| (d) Vehicles permitted to operate within the State | |
| (i) Ordinary Contract Carriage permitted to carry more than 6 passengers but not more than 12 passengers- for every passenger | 310.00 |
| (ii) Ordinary Contract Carriage permitted to carry more than 12 passengers but not more than 20 passengers- for every passenger | 530.00 |
| (iii) Ordinary Contract Carriage permitted to carry more than 20 passengers- for every passenger | 750.00 |
| (iv) Contract Carriage fitted with push back seats and permitted to carry more than 6 passengers but not more than 12 passengers- for every passenger | 500.00 |
| (v) Contract Carriage fitted with push back seats and permitted to carry more than 12 passengers but not more than 20 passengers- for every passenger | 750.00 |
| (vi) Contract Carriage with push back seats and permitted to carry more than 20 passengers- for every passenger | 1000.00 |
| (vii) Contract Carriage fitted with sleeper berths and permitted to carry more than 6 passengers but not more than 12 passengers- for every passenger | 1000.00 |
| (viii) Contract Carriage fitted with sleeper berths and permitted to carry more than 12 passengers but not more than 20 passengers- for every passenger | 1500.00 |
| (ix) Contract Carriage fitted with sleeper berths and permitted to carry more than 20 passengers- for every passenger | 2000.00 |

| | |
|--|------------|
| (e) Vehicles registered in Kerala and operating Inter-State after obtaining permit under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) | |
| (i) Ordinary Contract Carriage permitted to carry more than 6 passengers-for every passenger | 1540.00 |
| (ii) Contract Carriage with push back seats and permitted to carry more than 6 passengers-for every passenger | 2000.00 |
| (iii) Contract Carriage with sleeper berths and permitted to carry more than 6 passengers-for every passenger | 3000.00 |
| (f) Vehicles registered in other States and entering Kerala after obtaining permit under sub-sections (8) and (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) | |
| (i) Ordinary Contract Carriage permitted to carry more than 6 passengers-for every passenger | 4000.00 |
| (ii) Contract Carriages with push back seats and permitted to carry more than 6 passengers-for every passenger | 6000.00 |
| (iii) Contract Carriages with sleeper berths and permitted to carry more than 6 passengers-for every passenger | 7000.00 |
| (ii) Motor Vehicles permitted to ply as Contract Carriages and solely used as Educational Institution Bus | |
| (a) Vehicles with 20 or less seats including driver | 500.00 |
| (b) Vehicles with more than 20 seats | 1000.00.”; |
| (c) in serial number 11, after item (ii) and the entries against it, in columns (2) and (3), the following item and entries shall respectively, be inserted, namely:— | |
| “(iii) Caravan/Camping Trailer-for every square metre or part thereof of the floor area | 1000.00.”; |
| (d) in serial number 13, for item “1 Educational Institution Bus”, and the entries thereunder in columns (2) and (3), the following item and entries shall, respectively, be substituted, namely:— | |
| “1. Generator Van/Compressor/Rig | |
| (a) Light Motor Vehicle | 1000.00 |

- (b) Medium Motor Vehicle 1500.00
(c) Heavy Motor Vehicle 2000.00”;

(da) in the proviso to the schedule after paragraph (6) the following paragraph shall be inserted, namely:—

“ (7) in the case of Contract Carriage having ordinary seats, push back seats and sleeper berths, tax shall be realised for the vehicle on the basis of actual number of seats of each kind, at the rate prescribed in the schedule.””;

(e) in ANNEXURE 1,—

(i) for serial number A and the entries thereunder, in columns (2) and (3), the following serial number and entries shall respectively be substituted, namely:—

“A. New Motor Cycles (including Motor Scooters and Cycles with attachments for propelling the same by mechanical power) and three wheelers (including tricycles and cycle rickshaws with attachment for propelling the same by mechanical power) not used for transport of goods or passengers and Private Service Vehicle for personal use (NTV), Motor Cars, Motor Cabs, Tourist Motor Cabs, and Construction Equipment Vehicles.

- | | |
|--|---|
| 1. Motor Cycles (including motor Scooters and cycles with attachments for propelling the same by mechanical power) and bicycles of all categories with or without side car or drawing a trailer having purchase value upto rupees 1 lakh. | 6 % of the purchase value of the vehicle. |
| 2. Motor Cycles (including motor Scooters and cycles with attachments for propelling the same by mechanical power) and bicycles of all categories with or without side car or drawing a trailer having purchase value above rupees 1 lakh. | 8 % of the purchase value of the vehicle. |
| 3. Three Wheelers (including tricycles and cycle rickshaws with attachment for propelling the same by mechanical power) not used for transport of goods or passengers. | 6 % of the purchase value of the vehicle. |

- | | |
|---|--|
| 4. Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value upto rupees 5 lakhs. | 6 % of the purchase value of the vehicle. |
| 5. Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value more than rupees 5 lakhs and upto rupees 10 lakhs. | 8 % of the purchase value of the vehicle. |
| 6. Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value more than rupees 10 lakhs and upto rupees 15 lakhs. | 10 % of the purchase value of the vehicle. |
| 7. Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value more than rupees 15 lakhs. | 15 % of the purchase value of the vehicle. |
| 8. Motor Cabs having Cubic Capacity below 1500 cc. | 6 % of the purchase value of the vehicle. |
| 9. Tourist Motor Cabs having Cubic Capacity below 1500 cc and having purchase value upto rupees 10 lakhs. | 6 % of the purchase value of the vehicle. |
| 10. Tourist Motor Cabs having cubic capacity below 1500 cc and having purchase value above rupees 10 lakhs. | 10 % of the purchase value of the vehicle. |
| 11. Motor Cabs and Tourist Motor Cabs having Cubic Capacity 1500 cc and above and having purchase value upto rupees 15 lakhs. | 10 % of the purchase value of the vehicle. |
| 12. Motor Cabs and Tourist Motor Cabs having Cubic Capacity 1500 cc and above and having purchase value above rupees 15 lakhs. | 15 % of the purchase value of the vehicle. |
| 13. Construction Equipment Vehicles such as excavators, loaders, backhoe, compactor rollers, road rollers, dumpers, motor graders, mobile cranes, dozers, fork lift trucks, self loading concrete mixers etc. | 6 % of the purchase value of the vehicle. |

(ii) after serial number D and the entries against it in columns (2) and (3), the following serial number and entries shall respectively be inserted, namely:—

‘E. Motor cabs and Tourist motor cabs [****] which are originally registered in other State on or after 1st April, 2014 and migrated to the Kerala State

F. Motor cabs and Tourist Motor Cabs [****] which were registered on or after 1st April, 2014 and reclassified from the category of Non-Transport Vehicle

(f) for ANNEXURE II, the following ANNEXURE shall be substituted, namely:—

“ANNEXURE II

Lump sum Tax

[See proviso to section 3(1) and section 4(1)]

| <i>Sl. No.</i> | <i>Class of Vehicle</i> | <i>Rate of tax for 5 years (in Rupees)</i> |
|----------------|---|--|
| (1) | (2) | (3) |
| A. | Old Motor cycles (including motor scooters and cycles with attachments for propelling the same by mechanical power) and bicycles of all categories with or without side car or drawing a trailer. | 900 |
| B. | Three Wheelers (including tricycles and cycle rickshaws with attachments for propelling the same by mechanical power) not used for transport of goods or passengers | 900 |
| C. | New autorickshaws and autorickshaws which were originally registered in other States on or after Ist April, 2010 and migrated to the State of Kerala. | 2000 |
| D. | Motor cabs | 7000 |
| E. | Tourist Motor cabs | 8500 |
| F. | Motor cars having ULW not exceeding 750 Kg. | 6400 |

| (1) | (2) | (3) |
|--|-----|----------|
| G. Motor cars having ULW more than 750 Kg. but not more than 1500 Kg. | | 8600 |
| H. Motor cars having ULW more than 1500 Kg. | | 10600 |
| I. Goods carriages having GVW up to 3000 Kg. | | |
| (i) Motor Cycle trucks not exceeding 300 Kg. | | 2700 |
| (ii) Goods Carriages with GVW not exceeding 1000 Kg. | | 4400 |
| (iii) Goods Carriages with GVW exceeding 1000 Kg. but not exceeding 1500 Kg. | | 8400 |
| (iv) Goods Carriages with GVW exceeding 1500 Kg. but not exceeding 2000 Kg. | | 11000 |
| (v) Goods Carriages with GVW exceeding 2000 Kg. but not exceeding 3000 Kg. | | 14100.”. |

8. *Amendment of Act 32 of 1976.*—In the Kerala Tax on Luxuries Act, 1976 (32 of 1976),—

(1) in section 2, after clause (i), the following clause shall be inserted, namely:—

“(ia) “Serviced apartment” means a furnished apartment available for short-term stay for guests, which provides amenities and services for daily use for monetary consideration as an alternative for hotel accommodation.”;

(2) in section 4,—

(a) in sub-section (1), after item (ii), the following item shall be inserted, namely:—

“(iia) in a serviced apartment”;

(b) in sub-section (2),—

(i) in clause (a), after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that for the accommodation made in the months of June, July and August of every year, the rate of tax mentioned in items (i) and (ii) shall be five per cent.”;

(ii) to clause (c), the following provisos shall be inserted, namely:—

“Provided that any amount paid to the proprietor along with the charges for accommodation, by whatever name called, shall not be excluded from levy of tax under this clause:

Provided further that the rate of tax mentioned in item (iii) shall be ten per cent with respect to National and International Conventions, seminars and exhibitions approved by the Tourism Department of the Government of Kerala as per the scheme formulated by them for this purpose. Such approval shall be filed in the format specified in such scheme, before the assessing authority along with the returns filed under this Act.”;

(iii) after clause (c), the following clause shall be inserted, namely:—

“(d) in respect of serviced apartment, for the charges of accommodation and other amenities and services provided at the rate of twelve and a half per cent.”;

(3) after section 4F, the following section shall be inserted, namely:—

“4G. *Registration of serviced apartments.*—Every proprietor of a serviced apartment in a district shall get his serviced apartment registered with the authority under this Act along with a registration fee of one thousand rupees per apartment. Other procedures relating to registration of hotels shall be applicable in this case. The registration shall be for a period of one year and shall be renewed annually”.

9. *Amendment of Act 15 of 1991.*—In the Kerala Agricultural Income Tax Act, 1991 (15 of 1991), in section 37C,—

(1) in sub-section (3), for the figures and words “31st December, 2010”, the figures and words “31st August, 2014” shall be substituted;

(2) in sub-section (4),—

(a) for the figures and words “31st December, 2010”, the figures and words “31st December, 2014” shall be substituted;

(b) the proviso shall be omitted.

10. *Amendment of Act 30 of 2004.*—In the Kerala Value Added Tax Act, 2003 (30 of 2004),—

(1) in section 4, in sub-section (4), after clause (iii), the following clauses shall be inserted, namely:—

“(iv) The Chairman or any other member of the Appellate Tribunal nominated by him, may, sitting singly, dispose of any case where the amount of tax or penalty disputed in appeal does not exceed fifty thousand rupees and the order of assessment or penalty appealed against is issued by an officer of and below the rank of a commercial tax officer.

(v) A Bench constituting of two or more members other than the Chairman may dispose of any case where the amount of tax or penalty disputed in appeal does not exceed five lakhs rupees.”;

(2) after section 4, the following section shall be inserted, namely:—

“4A. *Appellate Tribunals appointed under the Kerala General Sales Tax Act, 1963.*—Notwithstanding anything contained in this Act, the Appellate Tribunals appointed under the Kerala General Sales Tax Act, 1963 (Act 15 of 1963) shall have the power to hear and dispose of appeals filed under this Act, in such manner as may be prescribed, as if they are appointed under this Act;

(3) in section 6,—

(a) in sub-section (1),—

(i) in the Table, in serial number 1, for the figure “20” in column (4), the figure “22” shall be substituted;

(ii) for the fifth proviso, the following proviso shall be substituted, namely:—

“Provided also that, where,—

(a) the sale is to or by Canteen Stores Department, Central Police Canteen, Indian Naval Canteen Service and National Cadet Corps Canteen ; or

(b) the sale is by Military, Naval, Air force or by the one subsidiary canteen each that may be established by the Kerala Police in each District of the State and affiliated to the Central Police Canteen, of the goods purchased from Canteen Stores Department, Central Police Canteen or from direct suppliers authorised by them, as the case may be; and

(c) in case of motor vehicles, the sale is to Defence personnel or ex-servicemen on production of authorization duly issued by the authorized officer of the Canteen Stores Department, Indian Naval Canteen Stores or Air Force Canteen, as the case may be;

the tax payable under (a), (b) or (c) above shall, subject to such conditions and restrictions as may be prescribed, be half the rate applicable to such goods.”;

(iii) after the fifteenth proviso, the following provisos shall be inserted, namely:—

“Provided also that the rate of tax for the sale of furnace oil to Coastal Cargo Vessel as fuel, shall, subject to such conditions and restrictions as may be prescribed, be 5 per cent.

[****]

(b) in sub-section (5), the existing Explanation shall be numbered as Explanation I and after Explanation I as so numbered, the following Explanation shall be inserted, namely:—

“*Explanation II.*—For the purpose of this sub-section, total turnover of a dealer shall not include the turnover of sale of medicines sold under first proviso to clause (e) of section 8 and the turnover of sale of goods covered under the Schedule to the Kerala General Sales Tax Act, 1963 (15 of 1963).”;

(c) in sub-section (7), to clause (b), the following proviso shall be inserted, namely:—

“Provided that the exemption covered by this clause shall be applicable to a deemed sale involved in a works contract executed through a sub-contractor also.”;

(4) after section 6, the following section shall be inserted, namely:—

“6A. *Payment of turnover tax of textile articles.*— Notwithstanding anything contained in section 6, every dealer shall pay turnover tax at the rate of two per cent on the turnover of sale of textile articles, included in serial numbers 11(2), 17A, 23A, 46A and 51 of the First Schedule:

Provided that a dealer whose turnover of sale of such textiles in the State for the previous year is below rupees one crore, shall not be liable to pay turnover tax under this section:

Provided further that this levy would be applicable even if, the constitution of the business has been changed in the current year to proprietorship, firm or association of persons consisting of the proprietor, partner, director or persons of the dealer for the previous year.”;

(5) in section 8,—

(a) for clause (a), the following clause shall be substituted, namely:—

“(a) (i) any works contractor who imports any goods into the State from other States or Country for incorporation in the works contracts and/or who is registered under the provisions of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), may, at his option, instead of paying tax in accordance with the provisions of section 6, pay tax at the rate of six per cent of the whole contract amount along with tax under sub-section (2) of section 6:

Provided that the compounded tax payable under this sub-clause by such works contractor in respect of works contract awarded by Government of Kerala, Kerala Water Authority or Local Authorities shall be four per cent of the whole contract amount, along with tax under sub-section (2) of section 6:

(ii) any works contractor not falling under the description in clause (i) above may, at his option, instead of paying tax in accordance with the provisions of the said section, shall pay tax at three per cent of the whole contract amount along with tax under sub-section (2) of section 6:

Provided that the provisions of this clause shall not apply to any works contract in which the transfer of material is in the form of goods:

Provided further that notwithstanding anything contained in this Act, a works contractor who intends to pay tax at compounded rate in accordance with this clause in respect of all works undertaken by him during an year, may, instead of filing separate application for compounding for individual works, file a single option for payment of tax under this clause before 30th day of April of the year to which the option relates, subject to eligibility:

Provided also that in the case of any work compounded under this clause, and which remains unexecuted fully or partly as on 31st March, 2014, the contractor may continue to pay tax in respect of such works in accordance with the provisions of this clause as existed when he had opted for compounding up to 31st March, 2015:

Provided also that with respect to works contract awarded by Government of Kerala, Kerala Water Authority or local authorities, the contractor shall not be liable to pay tax under sub-section (2) of section 6 in respect of the purchase of soil, sand or rocks.

Explanation 1.—For the purpose of this clause “whole contract amount” shall not include the amount paid to sub-contractors for execution of the portion of works contracted if the sub-contractor is a registered dealer liable to pay tax under sub-section (1) or sub-section (1A) of section 6, and the contractor claiming deduction in respect of such amount furnishes certificates in such form as may be prescribed.

Explanation 2.—Notwithstanding anything contained in any other Act, a dealer surrenders his registration and unused declaration forms under the Central Sales Tax Act, 1956 (Central Act 74 of 1956), before the assessing authority on or before 31st March of an year (including 31st March, 2014) and who does not have any closing stock of materials purchased interstate as on that date or who pays tax on such closing stock at scheduled rates, shall be eligible for paying compounded tax under sub-clause (ii) of this clause, for the next year.;

“(b) for clause (b), the following clause shall be substituted, namely:—

(b) Any dealer producing granite metals and/or manufactured sand with the aid of mechanised machines may, at his option, instead of paying tax in accordance with the provisions of the said sections, pay tax at the following rates, namely:—

| <i>Machine description</i> | <i>Compounded tax</i> |
|---|---------------------------|
| (1) | (2) |
| i. for each crushing machine of jaw size not exceeding 30.48 cm. x 22.86 cm. | Rs. 80,000 per annum |
| ii. for each crushing machine of jaw size exceeding 30.48 cm. x 22.86 cm. but not exceeding 40.64 cm. x 25.40 cm. | Rs. 3.20 lakhs per annum |
| iii. for each crushing machine of jaw size exceeding 40.64 cm. x 25.40 cm. | Rs. 6.40 lakhs per annum |
| iv. for each cone crusher | Rs. 36 lakhs per annum |
| v. for each Vertical/Horizontal shaft Impactor machines with output production capacity up to 25 Metric Tonne per hour | Rs. 6.25 lakhs per annum |
| vi. for each Vertical/Horizontal shaft Impactor machines of similar machines with output production capacity of above 25 Metric Tonne up to 50 Metric Tonne per hour | Rs. 12.50 lakhs per annum |
| vii. for each Vertical/Horizontal shaft Impactor machines of similar machines with output production capacity of above 50 Metric Tonne up to 100 Metric Tonne per hour | Rs. 22.50 lakhs per annum |
| viii. for each Vertical/Horizontal shaft Impactor machines of similar machines with output production capacity of above 100 Metric Tonne upto 150 Metric Tonne per hour | Rs. 32.50 lakhs per annum |

| | (1) | (2) |
|-----|--|------------------------|
| ix. | for each Vertical/Horizontal Shaft Impactor machines of similar machines with output production capacity of above 150 Metric Tonne up to 200 Metric Tonne per hour | Rs. 45 lakhs per annum |
| x. | for each Vertical/Horizontal shaft Impactor machines of similar machines with output production capacity of above 200 Metric Tonne per hour | Rs. 60 lakhs per annum |

Explanation;—For the purpose of this clause, primary crushers falling under the description of item (i), (ii) or (iii) above, shall also be reckoned for the purpose of computation of compounded tax, and the rate applicable to primary crushers shall be at fifty per cent of the aggregate of the tax payable on secondary crushers:

Provided that notwithstanding anything contained in this clause, dealers with a single crushing machine of size not exceeding 30.48 cm. x 22.86 cm. shall pay rupees thirty thousand only per annum and those with a single crushing machine of size above 30.48 cm. x 22.86 cm. but not exceeding 40.64 cm. x 25. 40 cm. shall pay rupees one lakh twenty thousand only per annum as tax under this clause:

Provided further that notwithstanding anything contained in this clause, dealers having Vertical/Horizontal Shaft Impactor machines or similar machines along with jaw crushers/cone crushers shall pay only sixty per cent of the relevant rate of compounded tax for each of such Vertical/Horizontal Shaft Impactor machines or similar machines, in addition to the tax on crushing machines, as compounded tax under this clause:

Provided also that the compounded tax payable shall be determined for an year and shall be payable in 12 equal monthly instalments.” .”;

(c) in clause (c), for sub-clause (i), the following sub-clause shall be substituted, namely:—

(i) any dealer in cooked food and beverages, including fresh fruit juices and sweets prepared by him, other than,—

(a) a dealer supplying cooked food or beverages to any airline service company or institution or shipping company for serving in aircraft, ships or steamer or served in aircraft, ship, steamer ;

(b) a bar attached hotel or a dealer for serving cooked food in a bar attached hotel ;

(c) a star hotel or a dealer serving cooked food in a star hotel ;

(d) a dealer making interstate purchase of goods, other than capital goods or packing materials ; or

(e) hotels or restaurants using a brand name or a trade mark registered under the Trade Marks Act, 1999 (Central Act 47 of 1999) ;

may, at his option, instead of paying tax in accordance with the provisions of sub-section (1) of section 6 but subject to payment of tax, if any, payable under sub-section (2) thereof, pay tax at half per cent of the turnover of cooked food and beverages prepared by him and also on the turnover of other goods in respect of which he is not the dealer effecting first taxable sale, as provided in the Explanation under sub-section (5) of section 6.”;

(d) in clause (e), the third proviso shall be omitted;

(e) for clause (f), the following clause shall be substituted, namely:—

“(f) (i) any dealer in bullion or ornaments or wares or articles of gold, silver or platinum group metals including diamond may at his option, instead of paying tax on their sale in the State in respect of such goods in accordance with the provisions of section 6, may pay tax at,—

(a) one hundred and fifteen per cent, in case the total turnover of the dealer opting to pay tax under this clause, for the preceding year was rupees ten lakhs or below;

(b) one hundred and twenty per cent, in case the total turnover of the dealer opting to pay tax under this clause, for the preceding year was above rupees ten lakhs and up to rupees forty lakhs;

(c) one hundred and thirty five per cent, in case the total turnover of the dealer opting to pay tax under this clause, for the preceding year was above rupees forty lakhs and up to rupees one crore;

(d) one hundred and fifty per cent, in case the total turnover of the dealer opting to pay tax under this clause, for the preceding year was above rupees one crore and above;

of the highest tax payable by him as conceded in the return or accounts, or tax paid by him under this Act, whichever is higher, for an year during any of the three consecutive years preceding that to which such option relates.

Explanation 1.—A dealer shall not be allowed to opt for the payment of tax under this clause unless he has conducted business up to a full year as on the first day of April of the year to which the option relates. Where a dealer had not transacted any business for the last three years consecutively, the highest tax paid or payable for the year during the year or years he transacted business shall be considered for the above purpose and where during any such preceding year, the dealer had not transacted business for any period in that financial year, the tax payable for the twelve months shall be calculated proportionately on the basis of the tax payable or the total turnover conceded, as applicable, for the period during which such dealer had transacted business.

Explanation 2.—Dealers opting for payment of tax under this clause shall pay compounded tax in respect of all their branches existing in the year to which the option relates, except the newly started branch or branches started during the year under option. Such branch or branches will be treated as a separate place of business for the purpose of this clause, for that year.

Provided that this explanation shall not be applicable to dealers who had paid compounded tax in respect of their branches started in the year 2013-2014 on the basis of average tax paid for the principal place of business and other branches for the year 2014-2015.

Explanation 3.—Where a dealer paying tax under this clause, closes a branch during the year under option, proportionate reduction considering the number of business places, in the payment shall be granted in the next monthly instalment onwards, for the remaining months of the year.

Explanation 4.—Where a dealer is opting for payment of tax under this clause for the first time and had only business in the previous year and the tax payable as per return or accounts during such previous year is less than the output tax payable, then the tax payable for the year under option shall be notionally re-determined on the basis of output tax, for determining the tax liability for the year under option.

Explanation 5.—Tax payable as conceded in the accounts includes the tax payable on suppressed or assessed turnover also.

Explanation 6.—For the purpose of this clause, “branch” does not include any place of business which is exclusively engaged in job work, manufacturing of ornaments/articles or polishing, and where there is no buying and/or selling of goods,

(ii) save as otherwise provided in this clause, the compounded tax payable under this clause shall be determined for an year and shall be payable in 12 monthly instalments.

(iii) a dealer who opts for payment of tax under this clause may collect tax at the rate as shown in the Table below, but where the tax so collected during the year is in excess of the tax payable for the year under this clause, the tax collected in excess shall be paid over to Government in addition to the tax payable under this clause.

Provided that the tax collected by dealers at the rate not exceeding 1.25 % during the year 2013-14 shall be deemed to be validly collected

TABLE

| <i>Compounded tax payable for the year under option of the tax paid or payable under this clause for the previous year/ years in percentage</i> | <i>Percentage of tax permitted to be collected on the sale of goods covered under this clause for the year under option</i> |
|---|---|
|---|---|

| | |
|-----|------|
| 103 | 1.03 |
| 104 | 1.04 |
| 105 | 1.05 |
| 109 | 1.09 |
| 112 | 1.12 |
| 115 | 1.15 |
| 120 | 1.20 |
| 125 | 1.25 |
| 135 | 1.35 |
| 150 | 1.50 |

(iv) The assessing authority, for valid and sufficient reasons, such as shifting of place of business, furnishing of false information, suppression of relevant information, failure to furnish such information demanded, may refuse permission to pay tax under this section and cancel the permission, if any, granted:

Provided that no orders under this sub-clause shall be issued without giving the dealer an opportunity of being heard and without prior approval of the District Deputy Commissioner.

(v) Notwithstanding anything contained in section 55 or section 60 of this Act, orders under sub-clause (ii) shall appealable only to the Appellate Tribunals.

(vi) In case where permission has been cancelled, the amount, if any paid based on the permission, shall be apportioned against the output tax due from the dealer.

(vii) Where a dealer had paid tax under this clause for the previous year, the tax payable,—

(a) by a dealer whose total turnover for the previous year was rupees ten lakhs or below, shall be at the rate of one per cent on the turnover of sales in the State, during the year under option; and,

(b) by the class of dealers mentioned in column (1) of the Table below for the succeeding year under this clause shall be calculated at the appropriate rates mentioned in column (2) or column (3) of the Table below, whichever is higher.

TABLE

| (1) | (2) | | | (3) | | |
|---|--|--|---------------|--|--|---------------|
| <i>Total turnover of the dealer</i> | <i>Compounded tax payable for the year under option of the tax paid or payable under this clause for the previous year (in per cent)</i> | | | <i>Percentage of the turnover of sale of goods covered under option within the State, for the previous year, payable as compounded tax</i> | | |
| <i>opting to pay tax under this clause, for the previous year</i> | <i>If a dealer had paid compounded tax under this clause continuously for last five years</i> | <i>If a dealer had paid compounded tax under this clause continuously for last three years</i> | <i>Others</i> | <i>If a dealer had paid compounded tax under this clause continuously for last five years</i> | <i>If a dealer had paid compounded tax under this clause continuously for last three years</i> | <i>Others</i> |
| A b o v e rupees ten lakhs and up to rupees forty lakhs | 103 | 104 | 105 | 1.03 | 1.04 | 1.05 |
| A b o v e rupees forty lakhs and up to rupees One Crore | 109 | 112 | 115 | 1.09 | 1.12 | 1.15 |
| Rupees One Crore and above | 115 | 120 | 125 | 1.15 | 1.20 | 1.25.”; |

[****]

(5A) in section 10, in sub-section (1) for the words “the fifth day of the month”, the words “the twentieth day of the month”, shall be substituted;

(6) in section 12, in the second proviso before the word “plywood”, the words “rubber latex, rubber wood” shall be inserted:

(7) in section 18B,—

(a) for the figures and words “30th September, 2013”, the figures and words “31st August, 2014” shall be substituted ;

(b) in the first proviso, for the figures and words “1st April, 2013”, the figures and words “1st April, 2014” shall be substituted;

(c) the second and third provisos shall be omitted;

(8) after section 18B, the following section shall be inserted, namely:—

“18C. *Special provisions for hospitals.*—(1) Notwithstanding anything contained in section 6 and section 18B, hospitals run by charitable institutions shall be exempted from tax on the sale of medicines, laboratory store items and consumables to their patients during the course of treatment, subject to the following conditions, namely:—

(a) they shall, on payment of a fee of ten thousand rupees, obtain a certificate from the Commissioner for an year, based on the orders of exemption applicable to charitable institutions under the Income Tax Act, 1961 (Central Act 43 of 1961).

(b) the hospitals availing exemption as per this sub-section shall purchase only medicines which had suffered tax on the maximum retail price as per clause (e) of section 8 of this Act and with regard to other laboratory store items and consumables, only from dealers registered under this Act:

Provided that for the period up to 31st March, 2013, the exemption would be made operative only based on the certificate issued by the Commissioner considering the orders of income tax exemption:

Provided further that such charitable hospitals shall not be liable to take registration or file returns under this Act.

(2) Notwithstanding anything contained in section 6 and section 18B, hospitals not covered under sub-section (1), shall be exempted from further tax

liability on their sale of medicines and other consumables subject to the following conditions:—

- (i) all the purchases of medicines shall be from dealers paying compounded tax as per clause (e) of section 8;
- (ii) all the purchases of other consumables are made from dealers registered under this Act at the maximum retail price; and
- (iii) they shall file option for availing this exemption before 30th April of every year:

Provided that if such hospitals pay the entire tax assessed/determined on or before 31st March, 2014, they shall not be liable to pay any penalty and/or interest under this Act.”;

(9) in section 20A, the existing provision shall be numbered as sub-section (1) and after sub-section (1), as so numbered, the following sub-section shall be inserted namely:—

“(2) With respect to works contracts awarded by Government of Kerala, Kerala Water Authority or Local Authorities, the Commissioner may, for valid and sufficient reasons to be recorded in writing, condone delay for filing of option under section 8 up to the date of filing of annual returns as prescribed under this Act. The application for condonation of delay shall be submitted along with the order of rejection of the option citing the reasons, of the assessing authority.”;

(10) after section 25B, the following section shall be inserted, namely:—

“25C. *Special provision regarding assessment of dealers paying presumptive tax.*—Notwithstanding anything contained in sub-section (4) of section 11 or sub-section (2) of section 12, if any assessment or other proceeding is initiated by the assessing authority denying the eligibility of a dealer to pay presumptive tax for the violation of conditions enumerated in sub-section (5) of section 6, such dealer shall be granted input tax credit or special rebate, as the case may be.”;

(11) in section 30, to sub-section (1), the following proviso shall be inserted, namely:—

“Provided that notwithstanding anything contained in this section, no dealer shall collect any sum by way of turnover tax leviable under section 6A.”.

(12) in section 31, in sub-section (5), after the words “twelve per cent per annum” the words “and in the case of tax collected by dealers from persons

who had purchased goods from him, at the rate of thirty six per cent per annum shall be inserted ;

(13) in section 42, in sub-section (1), after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that the Khadi and Village Industries Units shall, in lieu of the Statement and Certificate mentioned above, submit copy of the audited statement of accounts and certificate issued by the Kerala Khadi and Village Industries Board.”;

(14) in section 55,—

(a) in sub-section (1),—

(i) for the words, brackets and figures “other than those under sub-section (3), sub-section (8) or sub-section (9) of section 16, sub-section (8) of section 19;” the words, brackets and figures “other than those under section 16, section 19, sub-sections (8) and (9) of section 44, section 49, section 67, section 68, section 69 and section 70” shall be substituted ;

(ii) in the first proviso, for the figures and words “48, 49, 67, 69, 70, 70A and 72”, the figures and words “48, 70A and 72” shall be substituted ;

(iii) after, the second proviso, the following proviso shall be inserted, namely:—

“Provided also that where an order of the assessing authority which has become not appealable with effect from 1st April, 2014 by virtue of the Kerala Finance Bill, 2014, is pending in appeal under this section, such appeal shall stand transferred to the appropriate authority under this Act and such authority shall consider the same as if it is an appeal filed before it.”;

(b) in sub-section (5), after the existing proviso, the following proviso shall be inserted, namely:—

Provided that the power of the Deputy Commissioner (Appeals) to remand a case is limited to ex-parte orders only.”;

(15) in section 57, to sub-section (3), the following proviso shall be inserted, namely:—

Provided that the power of the Deputy Commissioner to remand a case is limited to ex-parte orders only.”;

(16) in section 67, for the existing proviso, the following proviso shall be substituted, namely:—

Provided that in the case of item (c) above, a minimum penalty of rupees One Thousand shall directed to be paid.”;

(17) in the SCHEDULES,—

(a) in the First Schedule,—

(i) in serial number 4A, item number(2) and the entries against it in columns (2) and (3) shall be omitted;

(ii) after serial number 18 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“18A. Flour, Sooji

| | |
|---------------------------|------------|
| (1) Wheat or meslin flour | 1101.00.00 |
| (2) Maida | ****; |
| (3) <u>Sooji</u> | ****” |

(iii) in serial number 35A, in the entry in column (2), the words “paper cups” shall be added at the end ;

(iv) in serial number 42, for the entry against it in column (2), the following entry and Note shall be substituted, namely:—

“Rice issued from Central/State Government depots or sold by Food Corporation of India for sale by authorized ration dealers

Note:—This entry shall be deemed to have come into force on the 1st day of April, 2005”;

(v) after serial number 42A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“42B. Rice bran oil ****”;

(vi) after serial number 48 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“48A. Soaps manufactured in which oil used is ***”;
[****] coconut oil

(vii) after serial number 54 and the entries against it in columns (2) and (3) the following serial number and entries shall respectively, be inserted, namely:—

“54A Wheat including broken Wheat 1001”.

(b) in the Second Schedule,—

(i) for serial number 2B and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“2B. Chillies dried 0904.20.10”;

(ii) for serial number 2C and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“2C. Flour other than those specifically mentioned in the First Schedule

- | | |
|--|------------|
| (1) Rye flour | 1102.10.00 |
| (2) Maize (corn flour) | 1102.20.00 |
| (3) Rice flour (puttu podi and the like) | 1102.30.00 |

[****]

- | | |
|------------------------|---------------|
| (4) Other cereal flour | 1102.90.00.”; |
|------------------------|---------------|

(ia) after serial number 2C and the entries against it in columns (2) and (3) the following serial numbers and entries shall, respectively, be inserted, namely:—

“2D. Washing soap bars and cakes ****”;
manufactured using coconut oil;

(iii) after serial number 5A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“5B. Orid dhal powder ***”;

(iv) serial number 7 and the entries against it in columns (2) and (3) shall be omitted;

(c) in the Third Schedule,—

(i) in serial number 3, sub-item (j) of item (1) and the entries against it in columns (2) and (3) shall be omitted;

(ii) after serial number 7 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“8. Bakery products like cakes, halwa, mixture, ***”;
laddu and jelabi

(iii) in serial number 30A, in the entry in column (2), for the words “bar attached hotels and star hotels”, the words “and five star hotels” shall be substituted;

(iv) in serial number 36, to item (27), the following Note shall be inserted, namely:—

“*Note*:—This entry shall be deemed to have come into force on the 13th day of November, 2009.”;

(v) after serial number 37 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“38. Edible oils

| | |
|---|------------|
| (1) Soyabean oil | 1507.90.10 |
| (2) Groundnut oil | 1508.90.91 |
| (3) Olive oil | 1509.90.10 |
| (4) Palm oil | |
| (a) Refined bleached deodorized palm oil | 1511.90.10 |
| (b) Refined bleached deodorized palmolein | 1511.90.20 |
| (5) Sunflower oil | 1512.19.10 |

| | |
|--|--------------|
| (6) Saffola oil | 1512.19.30 |
| (7) Cottonseed oil | 1512.29.10 |
| (8) Babassu oil | 1513.29.20 |
| (9) Refined coiza oil | 1514.19.10 |
| (10) Refined rapeseed oil | 1514.19.20 |
| (11) Refined mustard oil | 1514.99.20 |
| (12) Linseed oil | 1515.19.10 |
| (13) Maize (corn) oil | 1515.29.10 |
| (14) Castor oil | 1515.30.10 |
| (15) Sesam oil | 1515.50.91 |
| (16) Fixed vegetable oils of edible grade namely, mango kernel oil, mahua oil | 1515.90.40 |
| (17) Other edible oils | 1515.90.91 |
| (18) Other partly or wholly hydrogenated vegetable oils | |
| (a) Cottonseed oil | 1516.20.11 |
| (b) Groundnut oil | 1516.20.21 |
| (c) Castor oil | 1516.20.31 |
| (d) Others including Vanaspati | 1516.20.91 |
| (19) Vegetable edible oils excluding HSN heading No. 1516 | |
| (a) Linseed oil | 1518.00.11 |
| (b) Castor oil dehydrated | 1518.00.21 |
| (c) Other vegetable oils edible grade | 1518.00.31 |
| (20) Palm kernel oil | 1513.21.10”; |

(vi) in serial number 69, item (27) and the entries against it in columns (2) and (3) shall be omitted;

(vii) in serial number 79A, for the entries against it in columns (2) and (3), the following entries shall, respectively, be substituted, namely:—

“All types of lamps using LED as the source of light *****”;

(viii) serial number 82A and the entries against it in columns (2) and (3) shall be omitted;

(ix) in serial number 93, to sub-item (c) of item (1), the following Note shall be inserted, namely:—

“*Note*:—The entry shall be deemed to have come into force on the 1st day of April, 2005.”;

(ixa) in serial no. 36, the following proviso shall be inserted, namely:—

“Provided that the tax, if any, collected during the period from 13th day of November, 2009 to 31st day of March, 2012 shall not be refunded.”;

(x) to entry 98A, the following Notes shall be inserted, namely:—

Note 1.—For the sale of Domestic LPG by Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited and their agencies, no tax shall be levied on the amount of subsidy granted by the Central Government to such Corporations and passed on to the consumers during the sale of the same by the said Corporations and agencies;

Note 2.— This shall be deemed to have come into force on the 1st day of January, 2014.”;

(d) in the List A, after serial number 135A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“135B. Rubber spray oil ***”.

11. *Amendment of Act 29 of 2013.*— In the Kerala Finance Act, 2013 (29 of 2013), in section 11,—

(1) in sub-section (1), the words “including that of dining halls” shall be omitted;

(2) to sub-section (2), the following proviso shall be inserted, namely:—

“Provided that cess shall be levied only once for wedding and connected celebrations in respect of the same bride and bridegroom.”.

Secretariat of the Kerala Legislature,
Thiruvananthapuram,
9th July, 2014.

P. D. SARANGADHARAN,
Secretary.