Fourteenth Kerala Legislative Assembly

Bill No. 257

THE KERALA FINANCE BILL, 2020

KERALA NIYAMASABHA PRINTING PRESS.

Published on 12-03-2020

Fourteenth Kerala Legislative Assembly

Bill No. 257

THE KERALA FINANCE BILL, 2020

360/2020.

Fourteenth Kerala Legislative Assembly

Bill No. 257

THE KERALA FINANCE BILL, 2020

A

BILL

to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2020-2021.

Preamble.—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2020-2021.

BE it enacted in the Seventy-first Year of the Republic of India as follows:—

1.*Short title and commencement*—(1) This Act may be called the Kerala Finance Act, 2020.

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

(a) section 8 shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

(b) the remaining provisions of this Act shall come into force on the 1st day of April 2020.

2. *Amendment of Act 11 of 1957.*—In the Kerala Surcharge on Taxes Act, 1957 (11 of 1957), for section 3A, the following section shall be substituted, namely:—

"*3A. Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of surcharge or any other amount due under this Act relating to the period up to and including 30th June, 2017, may opt for settling the arrears by availing a complete reduction of the penalty amount, interest on the surcharge amount and on the penalty amount, on payment of,—

(i) fifty per cent of the principal amount of the surcharge in arrears; or

(ii) forty per cent of the principal amount of the surcharge in arrears, if the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority referred to in sub-section (7).

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assessees which will then be binding on the revenue authorities and such assesses shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section and shall file a declaration to this effect along with the option mentioned under sub-section (5).

(4) All arrears including surcharge, interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 31st July, 2020:

Provided that with respect to demands generated after 31st July, 2020, the option may be filed within thirty days on receipt of the assessment order and in such cases the final payment of surcharge and other amounts due as per this section shall be completed on or before 31st March, 2021.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of surcharge and other amounts due from the assessee under sub-section (1) and shall intimate the same to the assessee, and thereupon the assessee shall remit the amount in installments or lump sum, as the case may be, on or before 31st December, 2020:

Provided that the first installment thereof, for those who opt for payment as specified in clause (i) of sub-section (1) of this section, shall not be less than twenty per cent of the amount determined in this section and such amount shall be paid within thirty days of receipt of the said intimation and the balance amount is to be paid in installments, subject to a maximum of four installment.

(8) Notwithstanding anything contained in this Act, if an assessee who opts to settle his arrears under sub-section (1) has remitted or deposited any amount towards the arrears under this Act after the service of demand notice, such amounts shall be given credit as surcharge before reckoning the arrears to be settled under sub-section (6) and the assesse shall furnish the proof of payments made in this regard:

Provided that any amount paid towards penalty or its interest shall not be given credit.

(9) Notwithstanding anything contained in this Act,or in any judgment, decree or order of any court, tribunal or appellate authority, there shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.

(10) The form and manner of submission of option, intimation and payment, shall be as may be specified by the commissioner.

(11) Cases involved in Appeals filed by an officer empowered by the Government before the Appellate Authorities under the Kerala General Sales Tax Act, 1963 (15 of 1963) Kerala Value Added Tax Act, 2003 (30 of 2004) and Kerala Agricultural Income Tax Act, 1991 (15 of 1991) pending final orders as on the date of option, can also be opted to be settled under this scheme, reckoning the demand in the original assessment order.

(12) Assessee who opted to settle their arrears under this section during previous years, but had failed to make payments may also opt to settle their arrears under this section, and the amounts, if any, paid earlier shall be given credit as surcharge before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard, however no refunds shall be allowed.

(13) Commissioner may, within a period of four years from the date of full payment of arrears as per the intimation under sub-section (7), *suo moto* review any of the cases settled under this section in the interest of revenue.".

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

(1) for clause (d) of section 2 the following clause shall be substituted, namely:—

" (d) conveyance" includes-

(i) a conveyance on sale;

(ii) every order made under section 232 of the Companies Act, 2013 (Central Act 18 of 2013) in respect of amalgamation or reconstruction of companies; and

(iii) every order made by the Reserve Bank of India under section 44A of the Banking Regulation Act, 1949 (Central Act 10 of 1949); and

(iv) every other instrument, by which property, whether movable or immovable or any interest in any property is transferred *inter vivos* and which is not otherwise specifically provided for by the Schedule.".

(2) in section 28A, after the sub-section (1B), the following sub-section shall be inserted, namely:—

"(1C) Notwithstanding anything contained in this Act or rules made thereunder, the Government may, if it is of the opinion that there is a substantial increase in the market value of land in any area due to any reason, by notification in the official Gazette, declare such area in the State for which, the fair value of the land shall be at the rate not exceeding thirty per cent higher than the fair value fixed, revised or increased for such land under sub-section (1), sub-section (1A) or sub-section (1B), as may be specified.".

(3) for section 28C the following section shall be substituted, namely:—

"28C. *Valuation of buildings other than Flats/Apartments.*— Notwithstanding anything contained in this Act or the rules made thereunder, an instrument transferring building other than flat/apartment, chargeable with *ad valorem* duty, the valuation of the building shall be determined as per plinth area rate method by applying plinth area rates published by Central Public Works Department from time to time. The registering officer, while registering the instrument, shall ensure that the value or consideration of the building setforth in instrument is not less than the value assessed accordingly.".

(4) In the SCHEDULE,—

(a) in serial number 5, in clause (f), the existing explanation shall be numbered as Explanation II and before the Explanation as so numbered, the following Explanation shall be inserted, namely:—

"Explanation I:— for the purpose of this serial number, service level agreement includes a contract between the service provider and a service receiver to deliver a service with a particular service quality in an agreed price and does not include any contract for purchase or delivery of goods or an employment contract.";

(b) in serial number 22A, for the entries in column (3), the following entries shall be substituted, namely:—

"Two per cent of the market value of the immovable property of the transferor company, which is the subject matter of the conveyance or 0.6 per cent of the aggregate of the market value of the shares or other marketable securities which is the subject matter of the conveyance, issued or allotted in exchange or otherwise, and the amount of consideration paid for such amalgamation, whichever is higher.".

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

(1) after section 7 the following section shall be inserted, namely:—

"7A. *Special provision for payment of turnover tax and waiver of penalty and interest.*—(1) Notwithstanding anything contained in this Act or rules made there under or in any assessment, judgment, decree or order of any court, tribunal or appellate authority, bar hotels,—

(i) which were closed pursuant to the Abkari policy of the Government for the year 2014-2015, and were registered and had paid turnover tax prior to such closure; and

(ii) were subsequently granted new/renewed licenses under foreign liquor rules after such closure, and

(iii) who have not paid turnover tax on the turnover of sale conducted under such new/renewed licences for the period upto 31st March, 2020 and assessments were either completed or not against them for the turnover tax due for such period,

Shall be allowed to settle the arrears of turnover tax upto 31st March, 2020 at the rates mentioned in section 7, subject to eligibility conditions mentioned therein, with complete waiver of penalty and fifty per cent waiver on interest, subject to the following conditions, namely:—

(a) the option to settle under this scheme shall be filed on or before 31st July, 2020;

(b) they should file returns and other statements required to be filed under this Act for such periods along with the option;

(c) on receipt of the said option, the assessing authority shall determine the amount of tax payable under this section and shall intimate the same to the dealer;

(d) twenty per cent of the amount determined in sub-clause (c) shall be paid within a month of receipt of the intimation referred therein and the balance amount shall be paid in installments before 31st December , 2020.

(2) The form and manner of submission of returns, statements, option and payments shall be as may be specified by the Commissioner.

(3) On full payment of the amount determined under this section, the assessment, if any, already made for the option period, will be nullified.";

(2) for section 23B, the following section shall be substituted, namely:—

"23B. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee, who is in arrears of tax or any other amount due under this Act or under the Central Sales Tax Act, 1956 (Central Act 74 of 1956),—

(i) in case of demands relating to the period up to and including 31st March, 2005, may opt for settling the arrears by availing a complete reduction of the penalty amount, interest on the tax amount and on the penalty amount, on payment of,—

(a) fifty per cent of the principal amount of the tax in arrears; or

(b) forty per cent of the principal amount of the tax in arrears, if the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority.

(ii) in case of demands relating to the period from lst April, 2005 to 31st March, 2020, may opt for settling the arrears on payment of the principal amount of the tax and interest in arrears by availing a complete reduction of the penalty amount:

Provided that in case where the evidence, details and records pertaining to the penalty levied is not utilized or not liable to be utilized for any best judgment assessment under this Act, the demand relating to such penalty shall be settled under this section on payment of applicable tax relating to the penalty as determined by the assessing authority.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assessees which will then be binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section and shall file a declaration to this effect along with the option mentioned under sub-section (5).

(4) All arrears including tax interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 31st July, 2020:

Provided that with respect to demands generated after 31st July, 2020 the option may be filed within thirty days from the date of receipt of the order and in such cases the final payment of tax and other amount due as per this section shall be completed before 31st March, 2021.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the assessee under sub-section (1) and shall intimate the same to the assessee, and thereupon the dealer shall remit the amount in instalments on or before 31st December 2020:

Provided that the first instalment thereof, for those who opt for payment as specified in sub-clause (a) of clause (i) and clause (ii) of sub-section (1), shall not be less than twenty per cent of the amount determined therein and such amount shall be paid within thirty days of receipt of the intimation and the balance amount to be paid in instalments, subject to a maximum of four instalments.

(8) Notwithstanding anything contained in section 55C, if an assessee who opts to settle his arrears under sub-section (1) has remitted or deposited any amount towards the arrears under this Act after the service of demand notice, such amounts shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard:

Provided that, any amount paid towards penalty or its interest shall not be given credit.

(9) Notwithstanding anything contained in this Act, or in any judgment, decree or order of any court, tribunal or appellate authority, there shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.

(10) Cases involved in Appeals filed by an officer empowered by the Government under section 39 and 40 and pending final orders on the date of option can also be opted to be settled under this scheme, reckoning the demand in the original assessment order.

(11) Assessees who opted to settle their arrears under this section during previous years, but had failed to make payments may also opt to settle their cases under this section, and the amounts, if any, paid earlier shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard, provided that no refunds shall be allowed.

(12) The arrears to be settled under this section shall not include any amount of tax retained by any assessee under garnishee orders of the competent court."

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

(1) in section 5,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Subject to the other provisions contained in this Act, there shall be charged a tax (hereinafter referred to as "building tax") based on the plinth area at the rate specified in the Schedule-1 on every building the construction of which is completed on or after the appointed day.".

(b) after sub-section (6), the following sub-section shall be substituted, namely:—

(7) There shall be a rebate of twenty per cent for the total amount assessed on all the buildings in old Panchayat area only, other than special Grade Panchayat.

(2) in section 5A,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

(1) Notwithstanding anything contained in this Act, there shall be charged a Luxury Tax on the Plinth Area at the rate specified in the Schedule- II annually on all residential buildings having a plinth area of above 278.7 Square Metres completed on or after the 1st day of April, 1999.

(b) after sub-section (2), the following sub-section shall be substituted, namely:—

(3) There shall be a rebate of twenty per cent of the total Luxury Tax for those who pay the same in lump for five years or more.

(3) in the Schedule,—

(a) for 'Schedule-I,' except note (1) to (3) thereunder, the following shall be substituted, namely:—

"SCHEDULE- I

(*see* section 5)

TABLE

Rate of Building Tax

Plinth Area	Grama Panchayat/ Municipal Council (Rupees)	Municipal Corporation (Rupees)
1	2	3
Residential Buildings		
Not exceeding 100 Square Metres	Nil	Nil
Above 100 Square Metres but not exceeding 150 Square Metres	3500	5200
Above 150 Square Metres but not exceeding 200 Square Metres	7000	10500
Above 200 Square Metres but not exceeding 250 Square Metres	14000	21000
Exceeding 250 Square Metres	14000 Plus Rs.3100 for every additional 10 Square Metres	21000 Plus Rs.5400 for every additional 10 Square Metres
Other Buildings		
Not exceeding 50 Square Metres	Nil	Nil
Above 50 Square Metres but not exceeding 75 Square Metres	3900	7800
Above 75 Square Metres but not exceeding 100 Square Metres	5800	11700

1	2	3
Above 100 Square Metres but not exceeding 150 Square Metres	11700	23400
Above 150 Square Metres but not exceeding 200 Square Metres	23400	46800
Above 200 Square Metres but not exceeding 250 Square Metres	46800	70200
Exceeding 250 Square Metres	46800 Plus Rs.4600 for every additional 10 Square Metres	70200 Plus Rs.5800 for every additional 10 Square Metres"

(b) for 'Schedule- II' the following Schedule shall be substituted, namely:—

"SCHEDULE-II

(See *section 5A*)

TABLE

Rate of Luxury Tax

Sl. No.	Plinth Area Limit	Rate (Rs.)
(1)	(2)	(3)
1	Not exceeding 278.7 Square Metres	Nil
2	Above 278.7 Square Metres but not exceeding 464.50 Square Metres	5000
3	Above 464.50 Square Metres but not exceeding 696.75 Square Metres	7500
4	Above 696.75 Square Metres but not exceeding 929 Square Metres	10000
5	Exceeding 929 Square Metres	12500"

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

(1) in section 2,—

(i) in clause (e), after the words "chargeable on vehicles" the words "or the sale amount shown in the homologation uploaded by the manufacturer in the Parivahan portal administered by the Ministry of Road Transport and Highways, which ever is higher" shall be inserted.

(ii) after the first proviso, the following proviso shall be inserted, namely:—

"Provided further that the tax collection at source (TCS), which is a part of income tax payment, specified if any, in the purchase invoice shall not be included in the purchase value";

(iii) in the third proviso, for the word "further" the word "also" shall be substituted.

(2) in section 3, after sub-section (7), the following sub-section shall be inserted, namely:—

"(7A) In the case of motor vehicles in possession of a dealer or a manufacturer, as the case may be, and used on road exclusively for any demonstration purposes, a tax at the rate of $^{1}/_{15}$ th of the life time tax specified in Annexure I of the Schedule shall be paid for each year:

Provided that the life time tax for 15 years specified in Annexure I of the Schedule shall be levied from the date of purchase, at the time of first registration of such vehicle.".

(3) in the SCHEDULE,—

(a) in serial number 3, in item(i), in sub-item (r), for the entries against it in column(3), the following entries shall be substituted, namely:—

"5990.00 + Rs.190 for every 250 Kg or part thereof in excess of 20000 Kg".

(b) in serial number 7,—

(i) in item (ii), for the heading, the following heading shall be substituted, namely:—

"Motor Vehicles owned by Government or Aided Educational Institutions and permitted to ply as Contract Carriages and solely used as Educational Institution Bus".

(ii) after item(ii) the following item and entries shall respectively be inserted, namely:—

"(iia) Motor Vehicles owned by other Educational Institutions and permitted to ply as Contract Carriages and solely used as Educational Institution Bus,—

(a) Vehicles with 20 or less seats including driver—for every passenger	50.00
(b) Vehicles with more than 20 seats—for every passenger	100.00.".

(iii) in item (iv), in sub-items (a), (b) and (c), for the entries against it in column(3), the following entries shall, respectively, be substituted, namely:–

"Rs.1170.00 per square meter or part thereof.

Rs.990.00 per square meter or part thereof.

Rs.1260.00 per square meter or part thereof.".

(c) in Annexure I,—

(i) in serial number A,—

(a) in item 1,—

(i) in column (2), after the words and figure "rupees one lakh", the words and brackets"(other than electric vehicles)", shall be added;

(ii) in column (3), for the figure and symbol "9 %" the figures and symbol "10%", shall be substituted;

(b) in item 2,—

(i) in column (2), after the words and figure "rupees two lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figures and symbol "11%", the figures and symbol "12%", shall be substituted;

(c) in item 2A, in column (2), after the words and figure "rupees two lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(d) in item 3,—

(i) in column (2), after the words "goods or passengers", the words and bracket "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figure and symbol "6%", the figure and symbol "8%", shall be substituted;

(e) in item 4,—

(i) in column (2), after the words and figure "rupees five lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figure and symbol "7 %", the figure and symbol "9%", shall be substituted;

(f) in item 5,—

(i) in column (2), after the words and figures "rupees ten lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figure and symbol "9%", the figure and symbol "11%", shall be substituted;

(g) in item 6,—

(i) in column (2), after the words and figures "rupees fifteen lakh", the words and symbol "(other than electric vehicles)", shall be inserted;

(ii) in column (3), for the figures and symbol "11%", the figures and symbol "13%" shall be substituted;

(h) in item 7, after the words and figures "rupees twenty lakhs", the words and brackets "(other than electric vehicles)" shall be added;

(i) in item 7A, after the words and figures "rupees twenty lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(j) after item 7A and entries against it in columns (2) and (3), the following item and entries shall, respectively, be inserted, namely:—

"7B. Electric motor cycles, Electric Motor cars, Electric Private Service Vehicles for personal use and Electric three wheeled vehicles for personal use.	5% of the purchase value of the vehicle."

(k) in item 13, in column (3) for the figure and symbol "6%", the figure and symbol "8%", shall be substituted;

(d) in Annexure II,—

(i) for serial number C, the following serial numbers and entries shall, respectively, be substituted, namely:—

"C. New e-rickshaws and e-rickshaws which were originally registered in other States on or after 1st April, 2018 and migrated to the State of Kerala.	2000.00.

CA. New autorickshaws and autorickshaws which were originally registered in other States on or after 1st April, 2010 and migrated to the State of Kerala.	2500.00.".

7. *Amendment of Act 15 of 1991.*—In the Kerala Agricultural Income Tax Act, 1991 (15 of 1991) for section 37C, the following section shall be substituted, namely:—

"37C. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or rules made there under or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under this Act relating to the period up to and including 31st March, 2017, may opt for settling the arrears on payment of,—

(i) fifty per cent of the principal amount of the tax in arrears; or

(ii) forty per cent of the principal amount of the tax in arrears, if the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority referred to in sub-section (7).

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assessees which will then be binding on the revenue authorities and such assessee shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section and shall file a declaration to the effect along with the option mentioned under sub-section (5).

(4) All arrears including tax, interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 31st July,2020.

Provided that with respect to demands generated after 31st July, 2020, the option may be filed within thirty days, on receipt of the assessment order and in such cases the final payment of tax and other amounts due as per this section shall be completed on or before 31st March, 2021.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the dealer under sub-section (1) and shall intimate the same to the dealer, and thereupon the dealer shall remit the amount in instalments or lump sum, as the case may be, on or before 31st December, 2020:

Provided that the first instalment thereof, for those who opt for payment as specified in clause (i) of sub-section (1), shall not be less than twenty per cent of the amount determined in this sub-section and such amount shall be paid within thirty days of receipt of the said intimation and the balance amount to be paid in instalments, subject to a maximum of four equal instalments.

(8) Notwithstanding anything contained in this Act, if an assessee who opts to settle his arrears under sub-section (1) has remitted or deposited any amount towards the arrears under this Act after the service of demand notice, such amounts shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard:

Provided that, any amount paid towards penalty or its interest shall not be given credit.

(9) Notwithstanding anything contained in this Act,or in any judgment, decree or order of any court, tribunal or appellate authority, there shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.

(10) The form and manner of submission of option, intimation and payment, shall be as may be specified by the commissioner.

(11) Cases involved in Appeals filed by an officer empowered by the Government under section 74 and 78 and pending final orders on the date of option can also be opted to be settled under this scheme, reckoning the demand in the original assessment.

(12) Assessees who opted to settle their arrears under this section during previous years, but had failed to make payments may also opt to settle their cases under this section, and the amounts, if any, paid earlier shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard, provided that no refunds shall be allowed."

8. *Amendment of Act 20 of 2017.*—In the Kerala State Goods and Services Tax Act, 2017 (20 of 2017),—

(1) in section 2, in clause (114), for clauses (c) and (d), the following clauses shall be substituted, namely:—

"(c) Dadra and Nagar Haveli and Daman and Diu;

(d) Ladakh;".

(2) in section 10, in sub-section (2), in clauses (b), (c) and (d), after the words "of goods", the words "or services" shall be inserted;

(3) in section 16, in sub-section (4), the words "invoice relating to such" shall be omitted;

(4) in section 29, in sub-section (1), for clause (c), the following clause shall be substituted, namely:—

"(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of section 25:".

(5) in section 30, in sub-section (1), for the proviso, the following proviso shall be substituted, namely:—

"Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;

(b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a)." .

(6) in section 31, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:-

"Provided that the Government may, on the recommendations of the Council, by notification,—

(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued; within such time and in such manner as may be prescribed;

(b) subject to the condition mentioned therein, specify the categories of services in respect of which,—

(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(ii) tax invoice may not be issued.".

(7) in section 51,—

(a) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.".

(b) sub-section (4) shall be omitted.

(8) in section 122, after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.".

(9) in section 132, in sub-section (1),—

(i) for the words "Whoever commits any of the following offences", the words "Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences" shall be substituted;

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

"(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill;";

(iii) in sub-clause (e), the words, "fraudulently avails input tax credit" shall be omitted;

(10) in section 140, with effect from the 1st day of July, 2017,—

(a) in sub-section (1), after the words "existing law", the words "within such time and" shall be inserted and shall be deemed to have been inserted;

(b) in sub-section (2), after the words " appointed day", the words "within such time and" shall be inserted and shall be deemed to have been inserted;

(c) in sub-section (3), for the words "goods held in stock on the appointed day subject to", the words "goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to" shall be substituted and shall be deemed to have been substituted;

(d) in sub-section (5), for the words "existing law", the words "existing law, within such time and in such manner as may be prescribed" shall be substituted and shall be deemed to have been substituted;

(e) in sub-section (6), for the words "goods held in stock on the appointed day subject to", the words "goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to" shall be substituted and shall be deemed to have been substituted.

(11) in section 172, in sub-section (1), in the proviso, for the words "three years", the words "five years" shall be substituted;

(12) in Schedule II, in paragraph 4, the words "whether or not for a consideration," at both the places where they occur, shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

9. *Amendment of Act 5 of 2019.*—In the Kerala Finance Act, 2019 (5 of 2019),—

(1) for section 12, the following shall be substituted, namely:—

"12. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in sub-section (1) of section 174 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Tax on Luxuries Act, 1976 (32 of 1976) (hereinafter referred to as the former Act) or rules made there under or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under this Act relating to the period up to and including 30th June, 2017, may opt for settling the arrears on payment of,—

(i) fifty per cent of the principal amount of the tax in arrears; or

(ii) forty per cent of the principal amount of the tax in arrears, if the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority referred to in sub-section (7):

Provided that in case where the evidence, details and records pertaining to the penalty levied is not utilized or not liable to be utilized for any best judgment assessment under the former Act, the demand relating to such penalty shall be settled under this section on payment of applicable tax relating to the penalty as determined by the assessing authority.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assessee which will then be binding on the revenue authorities and such assessee shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section and shall file a declaration to this effect along with the option mentioned under sub-section (5).

(4) All arrears including tax, interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 31st July, 2020:

Provided that with respect to demands generated after 31st July, 2020, the option may be filed within thirty days, on receipt of the assessment order and in such cases the final payment of tax and other amounts due as per this section shall be completed on or before 31st March, 2021.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the dealer under sub-section (1) and shall intimate the same to the dealer, and thereupon the dealer shall remit the amount in instalments or lump sum, as the case may be, on or before 31st December, 2020:

Provided that the first instalment thereof, for those who opt for payment as specified in clause (i) of sub-section (1) shall not be less than twenty percent of the amount determined in this sub-section and such amount shall be paid within thirty days of receipt of the said intimation and the balance amount is to be paid in instalments, subject to a maximum of four instalment.

(8) Notwithstanding anything contained in the former Act if an assessee who opts to settle his arrears under sub-section (1), has remitted or deposited any amount relating to the arrears after the service of demand notice, such amounts shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard:

Provided that any amount paid towards penalty or interest shall not be given credit.

(9) Notwithstanding anything contained in this Act, or in any judgment, decree or order of any court, tribunal or appellate authority, there shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.

(10) The form and manner of submission of option, intimation and payment, shall be as may be specified by the commissioner.

(11) Cases involved in appeals filed by an officer empowered by the Government under the former Act and pending final orders on the date of option can also be opted to be settled under this scheme, reckoning the demand in the original assessment /order.

(12) Dealers who opted to settle their arrears under this section during previous years, but had failed to make payments may also opt to settle their cases under this section, and the amounts, if any, paid earlier shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard, however that no refunds shall be allowed.

(13) Commissioner may, within a period of four years from the date of full payment of arrears as per the intimation under sub-section (7), *suo moto* review any of the cases settled under this section in the interest of revenue.".

(2) In section 13, in sub-section (1),—

(a) for the figures "173" the figures "174" shall be substituted;

(b) for the figures and words "five lakh" the words "ten lakh" shall be substituted;

(c) for the words and figures "1st April, 2019", wherever it occurs, the words and figures, "1st April, 2020" shall be substituted.

10. *Special provision for Reduction of arrears in certain cases*.—(1) Notwithstanding anything contained in sub-section (1) of section 174 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Value Added Tax Act, 2003 (hereinafter referred to as the former Act) or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under the former Act or under the Central Sales Tax Act, 1956 (Central Act 74 of 1956) relating to the period up to and including 30th June, 2017, may opt for settling the arrears on payment of,—

(i) fifty per cent of the principal amount of the tax in arrears; or

(ii) forty per cent of the principal amount of the tax in arrears, if the amount is paid in lump sum within 30 days of receipt of intimation of the assessing authority referred to in sub-section (7):

Provided that in case where the evidence, details and records pertaining to the penalty levied is not utilized or not liable to be utilized for any best judgment assessment under the former Act, the demand relating to such penalty shall be settled under this section on payment of applicable tax relating to the penalty as determined by the assessing authority.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assessee which will then be binding on the revenue authorities and such assessee shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section and shall file a declaration to this effect along with the option mentioned under sub-section (5).

(4) All arrears including tax, interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 31st July,2020:

Provided that with respect to demands generated after 31st July, 2020, the option may be filed within thirty days, on receipt of the assessment order and in such cases the final payment of tax and other amounts due as per this section shall be completed on or before 31st March, 2021.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the dealer under sub-section (1) and shall intimate the same to the dealer, and thereupon the dealer shall remit the amount in instalments or lump sum, as the case may be, on or before 31st December, 2020:

Provided that the first instalment thereof, for those who opt for payment as specified in clause (i) of sub-section (1) shall not be less than twenty percent of the amount determined therein and such amount shall be paid within thirty days of receipt of the said intimation and the balance amount to be paid in instalments, subject to a maximum of four instalment.

(8) Notwithstanding anything contained in section 91 of the former act, if an assessee who opts to settle his arrears under sub-section (1) has remitted or deposited any amount relating to the arrears after the service of demand notice, including the tax paid, under clause (a) of sub-section (1) of section 74, of the former act such amount shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard:

Provided that any amount paid towards penalty or its interest shall not be given credit.

(9) Notwithstanding anything contained in this Act,or in any judgment, decree or order of any court, tribunal or appellate authority, there shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.

(10) The form and manner of submission of option, intimation and payment, shall be as may be specified by the commissioner.

(11) Cases involved in Appeals filed by an officer empowered by the Government under section 60 and 62 of the former act and pending final orders can also be opted to be settled under this scheme, reckoning the demand in the original assessment order.

(12) dealers who have opted to settle their arrears under section 31A or section 31B of the former Act during previous years, but had failed to make payments may also opt to settle their cases under this section, and the amounts, if any, paid earlier shall be given credit as tax before reckoning the arrears to be settled under sub-section (6) and the assessee shall furnish the proof of payments made in this regard, however that no refunds shall be allowed.

(13) The provisions of the Kerala Value Added Tax Act, 2003 (30 of 2004) and the rules made thereunder, including those relating to definitions, authorities, power to rectification of error, powers of revision *suo-moto* shall, as far as may be, *mutatis mutandis*, apply, in relation to the settlement of arrears under this section.

(14) The arrears to be settled under this section shall not include any amount of tax retained by any assessee under garnishee orders of competent court or any amount of tax deducted by the awarded under section 10 and retained by him.

11. *Special provision for assessment and payment of tax for presumptive dealers.*—(1) Notwithstanding anything contained in sub-section (1) of section 174 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Value Added Tax Act, 2003 (30 of 2004) (hereinafter referred to as the former Act) or rules made there under or in any judgment, decree or order of any court, tribunal or appellate or revisional authority or any assessment order or penalty order issued under the former Act, the dealers who have opted to pay tax under sub-section (5) of section 6 of the former Act and with regard to whom unaccounted purchases have been detected by the assessing authority for the period up to 30th June, 2017, may opt to settle their cases by paying tax at,—

(i) half per cent on the turnover of taxable goods, if the total turnover determined is, within the total turnover limit specified under sub-section (5) of section 6 of the former Act;

(ii) one per cent on the turnover of taxable goods, for the total turnover determined in excess of the total turnover limit specified under sub-section (5) of section 6 of the former Act and up to rupees one crore, in addition to the tax due under clause (i) above;

(iii) two per cent on the turnover of taxable goods, for the total turnover determined above rupees one crore, in addition to the tax due under clauses (i) and (ii) above,

and on payment of such tax, all penalties and interest including penalty under sub-section (7) of section 22 of the former Act, shall stand waived.

Explanation.—Notwithstanding anything contained in clause (ii) of section 2 of the former Act, for the purpose of this section, 'total turnover determined' shall be the total turnover obtained by adding unaccounted purchases detected or declared with five per cent gross profit to the total turnover declared as per the returns filed:

Provided that the dealers who had failed to take registration under the former Act may also settle their cases relating to the period up to 30th June, 2017, under this section on payment of registration fee at the prescribed rate for each such year and an amount equal to registration fee as penalty, in addition to the tax payable under this section.

(2) For settling the cases under sub-section (1), the assessee shall file option before the assessing authority on or before 31st July 2020. The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section and shall file a declaration to this effect along with the option mentioned under this sub-section.

(3) Such option and settlement shall cover all the financial years in which unaccounted purchases have been detected.

(4) The assessing authority shall intimate the dealer, the amount to be paid under sub-section (1), within fifteen days from the date of receipt of the option.

(5) Thirty per cent of the amount due under this scheme shall be paid within fifteen days from the date of receipt of the intimation under sub-section (4) and the balance amount shall be paid on or before 31st December, 2020 in equal monthly instalments, subject to a maximum of four instalments.

(6) Without prejudice to the provisions of this section, the Commissioner may issue such instructions to the assessing authorities and the dealers for the effective implementation of the scheme.

(7) No further action under any of the provisions of the former Act shall be initiated by the assessing authority with regard to the unaccounted purchases settled by the dealer under this section or other irregularities in accounts which resulted from such unaccounted purchases, and no appeal or revision shall lie against the amount so settled under this section.

(8) Dealers who have opted to pay tax under sub-section (5) of section 6 of the former Act and with regard to whom unaccounted purchases have not been detected by the assessing authority for the period up to 30th June, 2017, may also voluntarily declare such unaccounted purchases, and opt for the scheme mentioned in sub-section (1), and on doing so, no further action under this Act shall be initiated against such dealers with regard to the same.

(9) The dealers who had opted to settle their arrears under sub-section (5) of section 6 of the former Act and opted to settle their arrears under any previous scheme, but had failed to make payments may also opt to settle their cases under this section, and the amounts, if any, paid earlier shall be adjusted towards the amount to be paid under this section, provided that no refunds shall be allowed.

(10) Notwithstanding anything contained in this Act,or in any judgment, decree or order of any court, tribunal or appellate authority, there shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.

(11) The provisions of the Kerala Value Added Tax Act, 2003 (30 of 2004) and the rules made thereunder, including those relating to definitions, authorities, power to rectification of error, powers of revision *suo-moto* shall, as far as may be, *mutatis mutandis*, apply, in relation to the settlement of arrears under this section.

12. *Waiver of certain arrears and penalty.*—(1) Notwithstanding anything contained in sub- section (1) of section 174 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Value Added Tax Act, 2003 (30 of 2004) (hereinafter referred to as the former Act) or rules made there under, the interest accrued under sub-sections (5) and (6) of section 31 of former Act, on tax due or accrued under sub-section (2) of section 8 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) and penalty under section 67 and section 68 of the former Act, imposed on non-payment or short payment of tax due or assessed under sub-section (2) of section 8 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) on the inter-state sale of arecanut shall be waived subject to the following conditions,—

(a) the dealers who have received assessment orders before 30th April, 2019 shall file their option for waiver before the assessing authority on or before 30th September, 2020;

(b) dealers who receives assessment orders after 30th April, 2020 shall file the option within a month from the date on which the assessment orders are received on or before 31st March, 2021, whichever is earlier;

(c) such dealers shall pay the entire tax assessed in lump sum or in thirty six equal monthly instalments, starting on the date on which the assessing authority intimates the tax amount to be paid under the option;

(d) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section and shall file a declaration to this effect along with the option mentioned under clause(a) of sub-section (1);

(e) Penalties and interest already remitted before 20th March, 2018 will not be readjusted towards tax liability.

(2) The provisions of the Kerala Value Added Tax Act, 2003 (30 of 2004) and the rules made thereunder, including those relating to definitions, authorities, power to rectification of error, powers of revision *suo-moto* shall, as far as may be, *mutatis mutandis*, apply, in relation to the settlement of arrears under this section.

13. *Revision of returns.*—Notwithstanding anything contained in sub-section(1) of section 174 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Value Added Tax Act, 2003 (30 of 2004) or rules made there under, the last date for applying for revision of returns before the assessing authority under the first proviso to sub-section (2) of section 42 of the Kerala Value Added Tax Act,2003 (30 of 2004) is extended from 30th September, 2019 to 31st December 2020.

DECLARATION UNDER THE KERALA PROVISIONAL COLLECTION OF REVENUES ACT, 1985
(10 OF 1985)

It is hereby declared that it is expedient in the public interest that all the provisions of this Bill except the provisions of clause 8, shall have effect from the 1st day of April, 2020, under the Kerala Provisional Collection of Revenues Act, 1985 (10 of 1985).

STATEMENT OF OBJECTS AND REASONS

The Bill seeks to amend the following enactments to give effect to the financial proposal of the Government of Kerala for the financial year 2020-21 as announced in para 37, sub-para 12 of para 213, 214, 215, 216, 217, 218, 219, 221, 222, 223, 224, 225, 226, 227, 228, 229, 232, 233, 243, 245, 248 and 249 of the Budget Speech 2020-21, namely:—

1. The Kerala Surcharge on Taxes Act, 1957 (11 of 1957);
2. The Kerala Stamp Act, 1959 (17 of 1959);
3. The Kerala General Sales Tax Act, 1963 (15 of 1963);
4. The Kerala Building Tax Act, 1975 (7 of 1975);
5. The Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976);
6. The Kerala Agricultural Income Tax Act, 1991 (15 of 1991);
7. The Kerala State Goods and Services Tax Act, 2017 (20 of 2017);
8. The Kerala Finance Act, 2019 (5 of 2019);

FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (2) of clause 3 of the Bill, which proposes to insert a new sub-section to the section 28 A of the Kerala Stamp Act, 1959 (17 of 1959) seeks to empower the Government, to notify any area/ areas in State to increase the fair value by 30 percent where, there is a substantial increase in market value takes place.

2. A proviso to sub-section (2) of section 31 of the Kerala State Goods and Services Tax Act, 2017 proposed to be substituted by sub-clause (6) of clause 8 of the Bill seeks to empower Government to prescribe the time by which and the manner in which the invoice for the supply of services specified under this sub-section is to be issued.

3. Sub-section (3) of section 51 of the Kerala State Goods and Services Tax Act, 2017 proposed to be substituted by sub-clause (7) of clause 8 of the Bill seeks to empower the Government to prescribe the form and manner for issuance of certificate of deduction of tax at source.

4. Sub-section (3) of section 140 of the Kerala State Goods and Services Tax Act, 2017 by item (c) of sub-clause (10) of clause 8 of the Bill seeks to empower the Government to prescribe the time by which and the manner in which a registered person, who was not liable to be registered under the existing law or who was engaged in the sale of exempted goods or tax free goods or goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State under the existing law but which are liable to tax under this Act or where the person was entitled to the credit of input tax at the time of sale of goods, if any, to take, in his electronic credit ledger, credit of the value added tax and entry tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to goods held in stock on the appointed day.

5. Sub-section (5) of section 140 of the Kerala State Goods and Services Tax Act, 2017 proposed to be amended by item (d) of sub-clause (10) of clause 8 of the bill seeks to empower the Government to prescribe the period by which and the manner in which a registered person is entitled to take, in his electronic credit ledger, credit of value added tax and entry tax, if any, in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law.

6. Sub-section (6) of section 140 of the Kerala State Goods and Services Tax Act, 2017 proposed to be amended by item (e) of sub-clause (10) of clause 8 of the Bill seeks to empower the Government to prescribe the period by which and the manner in which a registered person, who was either paying tax at a fixed rate or paying a fixed amount in lieu of the tax payable under the existing law is entitled to take, in his electronic credit ledger, credit of value added tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to goods held in stock on the appointed day.

7. The matters in respect of which rules may be made or notifications may be issued are matters of procedure and are of routine or administrative in nature. Further, the rules, after they are made, are subject to scrutiny by the Legislative Assembly. The delegation of legislative power is, thus, of a normal character.

DR. T. M. THOMAS ISAAC.

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA SURCHARGE ON TAXES ACT, 1957

(11 OF 1957)

** ** ** **

"3A. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any Judgement, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of surcharge or any other amount due under this Act relating to the period up to and including 30th June, 2017, may opt for settling the arrears on payment of the principal amount of the surcharge in arrears by availing a complete reduction of the penalty amount, interest on the surcharge amount and on the penalty amount.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1), the assessing authorities shall withdraw the revenue recovery proceedings against such assessees which will then be binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section.

(4) All arrears including surcharge and penalties pertaining to a year shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1), shall submit an option to the assessing authority on or before 30th September, 2019:

Provided that with respect to demands generated after 30th September, 2019, the option may be filed within 30 days from the date of the receipt of the order and in such cases the final payment of surcharge and other amounts due as per this section shall be completed on or before 31st March, 2020.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of surcharge and other amounts due from the dealer under sub-section (1), and shall intimate the same to the dealer, and thereupon the dealer shall remit the amount in a maximum of six instalments on or before 31st March, 2020.

(8) Notwithstanding anything contained in this Act, if an assessee who opts to settle his arrears under sub-section (1) has remitted or deposited any amount relating to the arrears after the service of demand notice, such amounts shall be given credit as surcharge under this option and the assesse shall furnish the proof of payments made in this regard:

Provided that, any amount paid towards penalty or its interest shall not be credited towards surcharge.

(9) There shall not be any refund or any adjustment subsequently for the amount settled under this scheme under any circumstances".

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA STAMP ACT, 1959

(17 OF 1959)

** ** ** **

2. *Definitions.*— In this Act, unless the context otherwise requires,—

(a) "bond" includes—

** ** ** **

"(d) "Conveyance" includes,—

(i) a conveyance on sale;

(ii) deed of amalgamation of two or more companies whether in pursuance of an order of the National Company Law Tribunal or not;

(iii) deed of amalgamation in pursuance of the order under section 44A of Banking Regulation Act, 1949; and

(iv) every other instrument, by which property, whether movable or immovable or any interest in any property is transferred intervivos and which is not otherwise specifically provided in the Schedule.";

** ** ** **

28A. Fixation of fair value of land.—(1) Every Revenue Divisional Officer shall, subject to such rules as may be made by the Government in this behalf, fix the fair value of the lands situate within the area of his jurisdiction, for the purpose of determining the duty chargeable at the time of registration of instruments involving lands.

** ** ** **

(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.

** ** ** **

"*28C. Valuation of buildings other than Flats/Apartments.*— Notwithstanding anything contained in this Act or the rules made thereunder, an instrument transferring land including a building other than flat/apartment, chargeable with *ad valorem* duty, shall fully and truly set forth the value of building there in and for this purpose the valuation of building shall be determined on the basis of the cost inflation inded under section 48 of the Income Tax Act,1961 (Central Act 43 of 1961), in such manner as may be prescribed by rules made under this Act:";

** ** ** **

THE SCHEDULE

Sl. No.	*Description Instrument*	*Proper Stamp Duty*
(1)	(2)	(3)
	** ** **	**
5	Agreement or memorandum of an Agreement.—	
	(a) If relating to the sale of a bill of exchange:	One rupee
	** ** **	**
	(f) If relating to public works or service level agreements	One rupee for every rupees 1000 or part thereof on the amount agreed in the contract, subject to a minimum of rupees 200 and a maximum of rupees one lakh.

"Explanation:-The stamp duty for supplementary agreements shall be levied only upon the amount agreed on such supplementary agreements for the work to be completed or service to be delivered.";

** ** ** **

"22A. Conveyance as defined in item (ii) and (iii) of section 2 (d) not being a transfer charged or exempted under No.55	Five rupees for every 100 rupees or part thereof of the fair value of the land and the value of other immovable properties of the transferor company, which is the subject matter of the conveyance; or the aggregate of the market value of shares or other marketable securities, which is the subject matter of the conveyance issued or allotted in exchange or otherwise; or the amount of consideration paid for such amalgamation whichever is higher".

** ** ** **

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA GENERAL SALES TAX ACT, 1963
(15 OF 1963)

** ** **

7. *Payment of tax at compounded rates.*—Notwithstanding anything contained in sub-section (2) of section 5, any bar attached hotel, not being a star hotel of and above four star hotel, heritage hotel or club, may, at its option, instead of paying turnover tax on foreign liquor in accordance with the said sub-section, pay turnover tax on the turnover of foreign liquor calculated at the rates in item (i) or (ii), as the case may be,

(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;

(a) at one hundred and forty per cent of the purchase value of such liquor, in the case of those situated within the area of a municipal corporation or a municipal council or a cantonment, and at one hundred and thirty five per cent of the purchase value of such liquor, in the case of those situated in any other place; or

(b) at one hundred and fifteen per cent of the highest turnover tax payable by it as concerned in the return or accounts or the turnover tax paid for any of the previous consecutive three years; and

(ii) in respect of a bar attached hotel of three stars, as per clause (a) or (b) below, whichever is higher

(a) at one hundred and eighty per cent of the purchase value of such liquor, in the case of those situated within the area of a municipal corporation or a mucicipal council or a cantonment, and at one hundred and seventy per cent of the purchase value of such liquor, in the case of those situated in any other place; or

(b) at one hundred and twenty five per cent of the highest turnover tax payable by it as conceded in the return or accounts or the turnover tax paid for any of the previous consecutive three years:

"Provided that the calculation under sub-clause (b) of clause (ii) shall not be applicable in case of bar attached hotels whose FL-3 licences issued under the Abkari Act, 1077 (1 of 1077) was cancelled and was converted to FL-11 licences in pursuance of the Abkari Policy of the Government for the year 2014-15 and such FL-11 licencees had conducted business under such licence for a full financial year.";

** ** ** **

"23B. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee, who is arrears of tax or any other amount due under this Act or under the Central Sales Tax Act, 1956 (Central Act 74 of 1956),—

(i) in case of demands relating to the period upto and including 31st March, 2005, may opt for settling the arrears on payment of the principal amount of the tax in arrears by availing a complete reduction of the penalty amount, interest on the tax amount and on the penalty amount; and

(ii) in case of demands relating to the period from 1st April, 2005 to 31st March, 2018, may opt for settling the arrears on payment of the principal amount of the tax and interest in arrears by availing a complete reduction of the peanlty amount:

Provided that in case where the evidence, details and records pertaining to the penalty levied is not utilized or not liable to be utilized for any best judgment assessment under this Act, the demand relating to such peanlty shall be settled under this section on payment of applicable tax relating to the penalty as determined by the assessing authority.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery

proceedings against such assessees which will then the binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribuanl or courts for opting for settling the arrears under this section.

(4) All arrears including tax and penalties pertaining to a year shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 30th September, 2019:

Provided that with respect to demands generated after 30th September 2019, the option may be filed within 30 days from the date of receipt of the order and in such cases the final payment of tax and other amount due as per this section shall be completed before 31st March, 2020.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the dealer under sub-section (1) and shall intimate the same to the dealer, and thereupon the dealer shall remit the amount in a maximum of six instalments on or before 31st March, 2020.

(8) Notwithstanding anything continued in section 55C, if an assessee who opts to settle his arrears under sub-section (1) has remitted or deposited any amount relating to the arrears after the service of demand notice, such amounts shall be given credit as tax under this option and the assessee shall furnish the proof of payments made in this regard:

Provided that, any amount paid towards penalty or interest thereon shall not be credited towards tax.

(9) There shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances."

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA BUILDING TAX, ACT, 1975
(7 OF 1975)

** ** ** **

5. *Charge of building tax.*—(1) Subject to the other provisions contained in this Act, there shall be charged a tax (hereinafter referred to as "building tax") based on the plinth area at the rate specified in the Schedule on every building the construction of which is completed on or after the appointed day.

** ** ** **

(6) The building tax shall be payable by the owner of the building.

Explanation.—For the purposes of this Act, the construction of a building shall be deemed to have been completed when it is ready for occupation or has been actually occupied, whichever is earlier.]

5A. *Charge of luxury tax.*—(1) Notwithstanding anything contained in this Act there shall be charged a luxury tax based on the plinth area at the rate specified in schedulle II, annually on all residential buildings having a plinth area of above 278.7 square metre completed on or after the 1st day of April, 1999.

(2) The luxury tax assessed under this Act shall be paid in advance on or before the 31st day of March every year.

** ** ** **

THE SCHEDULE-I

[*See Section 5*]

TABLE

Rate of Building Tax

Plinth Area	Grama Panchayat other than special Grade Grama Panchayat (Rupees)	Special Grade Grama Panchayat/Town Panchayat/Municipal Council (Rupees)	Municipal Corporation (Rupees)
(1)	(2)	(3)	(4)
Residential Buildings :			
Not exceeding 100 square metres	Nil	Nil	Nil

(1)	(2)	(3)	(4)
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. 1,200 for every additional 10 square metres	10800 plus Rs.2,400 for every additional 10 square metres	16200 plus Rs. 3,000 for every additional 10 square metres
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

(1)	(2)	(3)	(4)
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. 1,800 for every additional 10 square metres	36000 plus Rs. 3,600 for every additional 10 square metres	54000 plus Rs. 4,500 for every additional 10 square metres.

Note.—(1) In the case of buildings referred to in the Explanation 2 to Clause (e) of Section 2, the rate of building tax shall be increased by 15%.

(2) In the case of buildings certified by a competent authority such as Nirmithi Kendras and the like as may be specified by Government in this behalf to be low cost residential building, the rate of building tax shall be reduced by 12.5%.

(3) In the case of buildings having a plinth area of 185.87 square metres or more and completed on or after the 1st day of April, 2013 in which there are installations for rainwater harvesting, waste treatment at source and solar panels having such measurements and specifications as may be specified by the Government by notification in the Gazette, the rate of building tax shall be reduced by 50 per cent.

** ** ** **

"SCHEDULE II

(See section 5 A)

TABLE

Rate of Luxury Tax

Sl. No.	Pinth Area Limit	Rate (Rs.)
(1)	(2)	(3)
1	Not exceeding 278.7 square metres	Nil
2	Above 278.7 square metres but not exceeding 464.50 Squart metres	4000
3	Above 464.50 square metres but not exceeding 696.75 Squart metres	6000
4	Above 696.75 square metres but not exceeding 929 Squart metres	8000
5	exceeding 929 square metres	10000".

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA MOTOR VEHICLES TAXATION ACT, 1976 (19 OF 1976)

** ** **

2. *Definitions.*—In this Act, unless the context otherwise requires.—

** ** ** **

(e) "Purchase value" means the value of the vehicle as shown in the purchase invoice and includes value added tax, goods and services tax and such other taxes as may be levied by the Central and State Government 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.

** ** ** **

3. Levy of Tax.—(1) Subject to the other provisions of this Act, on and from the date of commencement of this Act, a tax shall be levied on every motor vehicle used or kept for use in the state, at the rate specified for such vehicle in the Schedule;

** ** ** **

(7) In the case of Motor Vehicles brought to the State from any other country for temporary use in the State, a short-term tax shall be levied at the rate specified in Annexure IV

** ** ** **

THE SCHEDULE

[See Section 3(1)]

Sl. No.	*Class of Vehicle*	*Rate of Quarterly Tax (in Rupees)*
(1)	(2)	(3)
1.	Motor Cycles (including Motor Scooters and cycles with attachment for propelling the same by mechanical power)	45.00

** ** ** **

3.	Goods Carriages		
(i)	**Goods Carriages other than those fitted with tipping mechanism**		
(a)	Motor Cycles trucks not exceeding 300 Kg	In gross vehicle weight	150.00

** ** ** **

(r)	-do-	20000kg.			-do-	5990.00+₹250 for every 250 Kg. or part thereof in excess of 20000Kg.

** ** ** **

7.	Motor vehicles plying for hire and used for transport of passengers and in respect of which permits have been issued under the Motor Vehicles Act, 1988.
	(i) Vehicles permitted to ply solely as contract carriage

** ** ** **

(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

(iv) Vehicles to ply solely as stage carriage-based on floor area

(a)	Ordinary service other than city/town services	₹1,300 per square metre or part thereof
(b)	Ordinary city/ town services	₹1,100 per square metre or part thereof
(c)	Fast passenger and other higher class services	₹1,400 per square metre or part thereof

** ** ** **

ANNEXURE-I

ONE TIME TAX

[See proviso to Section 3(1)]

Sl. No.	*Class of Vehicle*	*Rate of one time tax*
(1)	(2)	(3)
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 one lakh	9% 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 one lakh and up to rupees two lakhs	11% of the purchase value of the vehicle
2A	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 two lakhs	21% 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	7% 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	9% 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	11% of the purchase value of the vehicle
7	Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value more than rupees fifteen lakhs and up to rupees twenty lakhs	16% of the purchase value of the vehicle
7A	Motor Cars and Private Service Vehicles for personal use (NTV) having purchase value of more than rupees twenty lakhs	21% 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

** ** ** **

ANNEXURE-II

LUMP SUM TAX

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

Sl. No.	*Class of Vehicle*	*Rates of tax for 5 years (in Rupees)*
(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

** ** ** **

C	New autorickshaws and autorickshaws which were originally registered in other States on or after 1st April, 2010 and migrated to the State of Kerala and new e-rickshaws and e-rickshaws which were originally registered in other State or on after 1st April, 2018 and migrated to the State of Kerala	2,000

** ** ** **

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA AGRICULTURAL INCOME TAX ACT, 1991 (15 OF 1991)

** ** ** **

"*37C. Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under this Act relating to the period up to and including 31st March, 2017, may opt for settling the arrears on payment of the principal amount of the tax in arrears by availing a complete reduction of the penalty amount, interest on the tax amount and on the penalty amount:

Provided that in case where the evidence, details and records pertaining to the penalty levied is not utilized or not liable to be utilized for any best judgement assessment under this Act, the demand relating to such penalty shall be settled under this section on payment of applicable tax relating to the penalty as determined by the assessing authority.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such which assessees will then be binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting for settling the arrears under this section.

(4) All arrears including tax and penalties pertaining to a year shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 30th September, 2019:

Provided that with respect to demands generated after 30th September, 2019 the option may be filed within 30 days from the date of receipt of the order and in such cases the final payment of tax and other amount due as per this section shall be completed on or before 31st March, 2020.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the dealer under sub-section (1) and shall intimate the same to the dealer, and thereupon the dealer shall remit the amount in a maximum of six instalments on or before 31st March, 2020.

(8) Notwithstanding anything contained in section 91A, if an assessee who opts to settle his arrears under sub-section (1) has remitted or deposited any amount relating to the arrears after the service of demand notice, such amounts shall be given credit as tax under this option and the assessee shall furnish the proof of payments made in this regard:

Provided that any amount paid towards penalty or interest thereon shall not be credited towards tax.

(9) There shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.".

EXTRACT FROM THE KERALA STATE GOODS AND SERVICES TAX ACT, 2017
(20 OF 2017)

** ** ** **

2. *Definitions.*—In this Act, unless the context otherwise requires,—

** ** ** **

(114) "Union Territory" means the territory of,—

(a) the Andaman and Nicobar Islands;

(b) Lakshadweep;

(c) Dadra and Nagar Haveli;

(d) Daman and Diu;

(e) Chandigrah; and

(f) other territory;

** ** ** **

Explanation :—For the purposes of this Act, each of the territories specified in sub-clauses (a) to (f) shall be considered to be a separate Union Territory.

** ** ** **

10. *Composition levy.*—(1) Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed seventy five lakh rupees may opt to pay, in lieu of the tax payable by him under sub-section (1) of section 9 an amount of tax calculated at such rate as may be prescribed, but not exceeding,—

** ** ** **

(2) The registered person shall be eligible to opt under sub-section (1), if,—

** ** ** **

(b) he is not engaged in making any supply of goods which are not leviable to tax under this Act;

(c) he is not engaged in making any inter-State outward supplies of goods;

(d) he is not engaged in making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52;

** ** ** **

CHAPTER V

INPUT TAX CREDIT

16. *Eligibility and conditions for taking input tax credit*—(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in sections19, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited in the electronic credit ledger of such person.

** ** ** **

(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

** ** ** **

29. *Cancellation or suspension of registration.*—(1) The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where,—

** ** ** **

(c) the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24.

"Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.";

** ** ** **

30. *Revocation of cancellation of registration.*—(1) Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such offficer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.

"Provided that the registered person who was served notice under sub-section (2) of section 29 in the manner as proved in clause (c) or clause (d) of sub-section (1) of section 169 and who could not reply to the said notice, thereby resulting in cancellation of his registration certificate and hence is unable to file application for revocation of cancellation of registration under sub-section (1) of section 30 of the KSGST Act, against such order passed up to 31st day of March, 2019 shall be allowed to file application for revocation of cancellation of the registration not later than 22nd day of July, 2019".

** ** ** **

CHAPTER VII

TAX INVOICE, CREDIT AND DEBIT NOTES

31. *Tax invoice.*—(1) A registered person supplying taxable goods shall, before or at the time of,—

** ** ** **

(2) A registered person supplying taxable services shall, before or after the provision of service but within a prescribed period, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification and subject to such conditions as may be mentioned therein, specify the categories of services in respect of which,—

(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(b) tax invoice may not be issued.

** ** ** **

51. *Tax deduction at source.*—(1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate.—

** ** ** **

(3) The deductor shall furnish to the deductee a certificate mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars in such manner as may be prescribed.

(4) If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five day period until the failure is rectified, subject to a maximum amount of five thousand rupees.

** ** ** **

CHAPTER XIX

OFFENCES AND PENALTIES

122. *Penalty for certain offences.*—(1) where a taxable person who,—

(i) supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;

(ii) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this act or the rules made thereunder;

(iii) collects any amount as tax but fails to pay the same to the government beyond a period of three months from the date on which such payment becomes due;

(iv) collects any tax in contravention of the provisions of this act but fails to pay the same to the government beyond a period of three months from the date on which such payment becomes due;

(v) fails to deduct the tax in accordance with the provisions of sub-section(1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the government under sub-section (2) thereof, the amount deducted as tax;

(vi) fails to collect tax in accordance with the provisions of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52;

(vii) takes or utilizes input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made thereunder;

(viii) fraudulently obtains refund of tax under this Act;

(ix) takes or distributes input tax credit in contravention of section 20, or the rules made thereunder;

(x) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act;

(xi) is liable to be registered under this Act but fails to obtain registration;

(xii) furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;

(xiii) obstructs or prevents any officer in discharge of his duties under this Act;

(xiv) transports any taxable goods without the cover of documents as may be specified in this behalf;

(xv) suppresses his turnover leading to evasion of tax under this Act;

(xvi) fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder;

(xvii) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder or furnishes false information or documents during any proceedings under this Act;

(xviii) supplies, transports or stores any goods which he has reasons to believe are liable to confiscation under this Act;

(xix) issues any invoice or document by using the registration number of another registered person;

(xx) tampers with, or destroys any material evidence or documents;

(xxi) disposes off or tampers with any goods that have been detained, seized, or attached under this Act, he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted under section 51 or short deducted or deducted but not paid to the Government or tax not collected under section 52 or short collected or collected but not paid to the Government or input tax credit availed of or passed on or distributed irregularly, or the refund claimed fraudulently, whichever is higher.

** ** ** **

132. *Punishment for certain offences.*—(1) whoever commits any of the following offences, namely:—

(a) supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act or the rules made thereunder, with the intention to evade tax;

(b) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this act, or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax;

(c)avails input tax credit using such invoice or bill referred to in clause (b);

** ** ** **

(e) evades tax, fraudulently avails input tax credit or fraudulently obtains refund and where such offence is not covered under clauses (a) to (d);

** ** ** **

140. *Transitional arrangements for input tax credit.*—(1) A registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, credit of the amount of Value Added Tax, and Entry Tax, if any, carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed:

Provded that the registered person shall not be allowed to take credit in the following circumstances, namely:—

(i) where the said amount of credit is not admissible as input tax credit under this Act; or

(ii) where he has not furnished all the returns required under the existing law for the period of six months immediately preceding the appointed date; or

Provided further that so much of the said credit as is attributable to any claim related to section 3, sub-section (3) of section 5, section 6, section 6a or sub-section (8) of section 8 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) which is not substantiated in the manner, and within the period, prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 shall not be eligible to be credited to the electronic credit ledger:

Provided also that an amount equivalent to the credit specified in the second proviso shall be refunded under the existing law when the said claims are substantiated in the manner prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957.

(2) A registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electornic credit ledger, credit of the unavailed input tax credit in respect of capital goods, not carried forward in a return, furnished under the existing law by him, for the period ending with the day immediately preceeding the appointed day in such manner as may be prescribed:

Provided that the registered person shall not be allowed to take credit unless the said credit was admissible as input tax credit under the existing law and is also admissible as input tax credit under this Act.

Explanation :—For the purposes of this section, the expression "unavailed input tax credit" means the amount that remains after substracting the amount of input tax credit already availed in respect of capital goods by the taxable person under the existing law from the aggregate amount of input tax credit to which the said person was entitled in respect of the said capital goods under the existing law.

(3) A registered person who was not unable to be registered under the existing law or who was engaged in the sale of exempted goods or tax free goods, by whatever name called, or goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the state under the existing law but which are liable to tax under this Act or where the person was entitled to the credit of input tax at the time of sale of goods, if any, shall be entitled to take, in his electronic credit ledger, credit of the value added tax and entry tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely:—

(i) such inputs or goods are used or intended to be unsed for making taxable supplies under this Act;

(ii) the said registered person is eligible for input tax credit on such inputs under this Act;

(iii) the said registered person is in possession of invoice or other prescribed documents evidencing payment of tax under the existing law in respect of such inputs; and

(iv) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day:

Provided that where a registered person other than a manufacturer or a supplier of services, is not in possession of an invoice or any other documents evidencing payment of tax in respect of inputs, then, such registered person shall, subject to such conditions, limitations and safeguards as may be prescribed,

including that the said taxable person shall pass on the benefit of such credit by way of reduced prices to the recipient, be allowed to take credit at such rate and in such manner as may be prescribed.

** ** ** **

(5) A registered person shall be entitled to take, in his electronic credit ledger, credit of value added tax and entry tax, if any, in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law, subject to the condition that the invoice or any other tax paying document of the same was recorded in the books of account of such person within a period of thirty days from the appointed day:

Provided that the period of thirty days may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding thirty days:

Provided further that the said registered person shall furnish a statement, in such manner as may be prescribed, in respect of credit that has been taken under this sub-section.

(6) A registered person, who was either paying tax at a fixed rate or paying a fixed amount in lieu of the tax payable under the existing law shall be entitled to take, in his electronic credit ledger, credit of value added tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely:—

(i) such inputs or goods are used or intended to be used for making taxable supplies under this Act;

(ii) the said registered person is not paying tax under section 10;

(iii) the said registered person is eligible for input tax credit on such inputs under this Act;

(iv) the said registered person is in possession of invoice or other prescribed documents evidencing payment of tax under the existing law in respect of inputs; and

(v) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day.

** ** ** **

172. *Removal of difficulties.*—(1) If any difficulty arises in giving effect to any provisions of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

** ** ** **

SCHEDUELE II

[See Section 7]

ACTIVITIES OR TRANSACTIONS TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES

1. *Transfer.*—(a) any transfer of the title in goods is a supply of goods;

** ** ** **

4. *Transfer of business assets.*—(a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as, no longer to form part of those assets, whether or not for a consideration, such transfer or disposal is a supply of goods by the person;

(b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, whether or not for a consideration, the usage or making available of such goods is a supply of services;

** ** ** **

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA FINANCE ACT, 2019 (5 OF 2019)

** ** ** **

12. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in sub-section (1) of section 173 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Tax on Luxuries Act, 1976 (32 of 1976) (hereinafter referred to as the repealed Act) and the rules made thereunder or in any judgement, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under the repealed Act, relating to the period up to and including 30th June, 2017, may opt for settling the arrears on payment of the principal amount of the tax in arrears by availing a complete reduction of the penalty amount, interest on the tax amount and on the penalty amount:

Provided that in case where the evidence, details and records pertaining to the penalty levied is not utilized or not liable to be utilized for any best judgement assessment under the repealed Act, the demand relating to such penalty shall be settled under this section on payment of applicable tax relating to the penalty as determined by the assessing authority.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assessees which will then be binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

(3) The assessee shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts for opting under this section.

(4) All arrears including tax and penalties pertaining to a year shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 30th September, 2019:

Provided that with respect to demands generated after 30th September, 2019, the option may be filed within 30 days from the date of receipt of the order and in such cases the final payment of tax and other amount due as per this section shall be completed on or before 31st March, 2020.

(6) The arrears for the purpose of settlement under this section shall be calculated as on the date of submission of option.

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the dealer under sub-section (1) and shall intimate the same to the dealer, and thereupon the dealer shall remit the amount in a maximum of six instalments on or before 31st March, 2020.

(8) Notwithstanding anything contained in the repealed Act if an assessee who opts to settle his arrears under sub-section (1), has remitted or deposited any amount relating to the arrears after the service of demand notice, such amounts shall be given credit as tax under this option and the assessee shall furnish the proof of payments made in this regard:

Provided that, any amount paid towards penalty or its interest shall not be credited towards tax.

(9) There shall not be any refund or any adjustment subsequently for the amount settled under this scheme, under any circumstances.

13. *Certain assessments pending under the Kerala Tax on Luxuries Act, 1976 deemed to be completed.*—(1) Notwithstanding anything contained in sub-section (1) of section 173 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Tax on Luxuries Act, 1976 (32 of 1976) (hereinafter referred to as the repealed Act) and the rules made thereunder, if the total receipts as per the return filed by the proprietor under the repealed Act for a year is rupees five lakh or below, the assessment of such proprietor pending as on 1st April, 2019, shall be deemed to have been completed, subject to the condition that the proprietor had filed all returns as prescribed under the repealed Act and had paid tax accordingly:

Provided that such assessment may be reopened by the Deputy Commissioner under the repealed Act on detection of tax evasion subsequently, but within a period of four years from the 1st day of April, 2019.

** ** ** **