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**REPORT OF THE SUBJECT COMMITTEE**  
**ON**  
**THE KERALA FINANCE BILL, 2019**  
**AND**  
**THE BILL AS REPORTED BY THE SUBJECT COMMITTEE**

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Presented on 1st July, 2019

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2019

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**SUBJECT COMMITTEE VIII**  
**ECONOMIC AFFAIRS**  
**(2019-2021)**

**Composition**

*Chairman:*

**DR. T. M. Thomas Isaac,**  
**Minister for Finance and Coir.**

*Ex-officio Members:*

**Shri T. P. Ramakrishnan,**  
**Minister for Labour and Excise,**

**Shri G. Sudhakaran,**  
**Minister for Public Works and Registration.**

*Members:*

**DR. N. Jayaraj**  
**Shri V. K. C. Mammed Koya**  
**Shri D. K. Murali**  
**Shri Thiruvanchoor Radhakrishnan**  
**Shri Mullakkara Retnakaran**  
**Shri V. D. Satheesan**  
**Shri K. Suresh Kurup**  
**Shri M. Ummer.**

*Legislature Secretariat:*

**Shri C. Jos, Secretary-in-Charge**  
**Smt. Lima Francis, Joint Secretary**  
**Shri D. D. Godfree, Deputy Secretary**  
**Smt. Deepa V., Under Secretary.**

# THE KERALA FINANCE BILL, 2019

## Report of the Subject Committee

The Kerala Finance Bill, 2019 (Bill No. 185) was referred to Subject Committee VIII—Economic Affairs for joint consideration with Subject Committee II—Land Revenue and Devaswom; Subject Committee V—Works, Transport and Communications; Subject Committee IX—Local Administration, Rural Development and Housing and Subject Committee XIV—Home Affairs. The joint meeting of Subject Committee II, V, VIII, IX and XIV considered the Bill clause by clause and now submits this Report with the Bill as reported by the Subject Committee annexed thereto.

2. The Kerala Finance Bill, 2019 was published as a Gazette Extraordinary dated 9th February, 2019. The Bill was introduced in the Assembly on February 12, 2019 and was referred to Subject Committee VIII on June 28, 2019 for joint consideration with Subject Committee II, V, IX, XIV.

3. The Committee considered the Bill clause by clause at the meeting held on June 28, 2019. The Committee recommends to adopt the Bill with the following modifications :

### *Clause 1*

For sub-clause (2) the following shall be substituted, namely:—

"Save as otherwise provided in this Act, it shall come into force on the 1st day of April, 2019."

### *Clause 2*

In section 3A of the Kerala Surcharge on Taxes Act, 1957 proposed to be substituted by clause 2 of the Bill, for the word "tax" wherever they occur, the word "surcharge" shall be substituted.

*Clause 3*

(1) Sub-clause (1) of Clause 3 shall be omitted.

(2) In the existing sub-clause (2), the brackets and figure '(2)' shall be omitted.

(3) In sub-section (1) of section 7 of the Kerala Money-Lenders Act, 1958 (35 of 1958) proposed to be substituted by sub-clause (2) of Clause 3 after the words, "interest per annum" the words "and two per cent processing charge." shall be added.

*Clause 4*

(1) In sub-section (1) of section 33A of the Kerala Stamp Act, 1959, proposed to be inserted by sub-clause (3) of Clause 4 of the Bill, the following proviso shall be added, namely:—

“provided that nothing herein contained shall authorise, a registering officer to call for or impound such instrument or true copy, after the expiry of ten years from the date of registration of such instrument”.

(2) In the entries in column (3) of clause (c) of serial number 5, in the Schedule to the Kerala Stamp Act, 1959 proposed to be substituted by sub-item (i) of item (a) of sub-clause (6) of clause 4 of the Bill, for the words "value or" the words "value of" shall be substituted;

(3) in item (d), for the word "substituted" the word "inserted" shall be substituted;

(4) in sub-item (i) of the item (e) of sub-clause (6), for the words and symbols "after the word "given"" the words and symbols "after the words "agreed to be given"" shall be substituted.

*Clause 6*

In the proviso to section 3 of the Kerala Local Authorities Entertainments Tax Act, 1961 proposed to be inserted by clause 6 of the Bill, in item (ii), for the words "at the rate of ten per cent" the words "at a rate not exceeding ten per cent" shall be substituted.

*Clause 7*

In sub-clause (4) of clause 7 of the Bill, for the words and symbol "the sub-entries" the words "the entries" shall be substituted.

*Clause 11*

(1) In item (v) of the sub-section (4) of section 4 of the Kerala Value Added Tax Act, 2003 proposed to be substituted by sub-clause (1) of clause 11 of the Bill, for the words "Presiding Officer" the words "Judicial Officer not below the rank of a District Judge" shall be substituted;

(2) In the proviso to sub-section (1) of section 25AA of the said Act proposed to be inserted by sub-clause (2) of clause 11 of the Bill, for the words "fifty per cent to the" the words "fifty per cent of the " shall be substituted;

(3) For clause (c) of sub-section (2) of section 25AA of the said Act proposed to be inserted by sub-clause (2) of clause 11 of the Bill, the following clause shall be substituted, namely:—

"(c) If sale suppression is detected, the suppressed turnover shall alone be assessed, without any additions.";

(4) Sub-sections (6), (7) and (8) of section 25AA of the said Act proposed to be inserted by sub-clause (2) of clause 11 of the Bill shall be renumbered as sub-sections (7), (8) and (9) of that section and before the said sub-sections as so renumbered, the following sub-section shall be inserted, namely:—

"(6) If any interstate purchases are detected with respect to a cooked food dealer paying tax under sub-clause (i) of clause (c) of section 8 in violation of item (d) of the said sub-clause, such purchases shall alone be assessed to tax by adding 20 per cent gross profit, and the compounding for the year shall not be cancelled.";

(5) For sub-clause (5) of Clause 11, the following sub-clause shall be substituted, namely:—

"(5) in section 31B,—

(i) in clause (a) for the words and figures, "30<sup>th</sup> April, 2018" and "31st May, 2018" the words and figures, "30<sup>th</sup> April, 2019" and "30<sup>th</sup> September, 2019" shall respectively, be substituted.

(ii) in clause (b), for the words and figures, "30<sup>th</sup> April, 2018" and "31<sup>st</sup> March, 2019 whichever is earlier" the words and figures, "30<sup>th</sup> April, 2019" and "30<sup>th</sup> September, 2019" shall respectively, be substituted.

(6) In sub-clause (6) of clause 11 of the Bill, after the words "in the second proviso", the words, symbol, brackets and figure "to sub-section (2)" shall be inserted.

### *Clause 13*

The provision contained in clause 13 shall be numbered as sub-clause (1) of that clause and after sub-clause (1) as so numbered the following sub-clause shall be inserted, namely:—

"(2) in case where tax evasion has been detected and offence has been compounded or penalty has been imposed under the provisions of the repealed Act, the assessment under the provisions of the repealed Act shall be done only on the suppressed turnover detected.



Provided that in cases where pattern of suppression has been established the assessment shall be completed by adding fifty per cent of the suppressed turnover”.

*Clause 14*

(1) In sub-clause (1),—

(i) after the words "goods or services or both made", the words "in furtherance of business" shall be inserted;

(ii) for the words "as may be prescribed" the words "as may be prescribed by rules made by the Government in this behalf" shall be substituted;

(iii) for item (i) of the proviso, the following item shall be substituted, namely:—

"(i) supplies made by a taxable person who is paying tax under section 10 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) or opted to pay tax as per G.O.(P) No. 66/2019/TAXES dated 30th March, 2019 and published as S.R.O. No. 256/2019 in the Kerala Gazette Extraordinary No. 882 dated 30th March, 2019.";

(iv) for item (ii) of the proviso, the following item shall be substituted, namely:—

"(ii) supplies of goods or services or both wholly exempted from tax by virtue of notifications issued under section 11 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017); and";

(v) For item (iii) of the proviso, the following item shall be substituted, namely:—

"(iii) supplies of goods or services or both made in furtherance of business by a taxable person in the State to another taxable person having goods and services tax registration in the State.";

(2) In sub-clause (2),—

(i) after the words "under section 15", the words "but excluding the cess levied under this section" shall be inserted;

(ii) in the TABLE,—

(a) in Sl. No. 3, after the words "Supplies of goods" the words "or services" shall be inserted;

(b) Sl. No. 4 and the entries against it shall be omitted;

(c) Sl. No. 5 shall be renumbered as Sl. No. 4 and in the entries against the said serial number, for the words "goods and services" the words "goods or services" shall be substituted.

After clause 14 of the Bill, the following clause shall be inserted, namely:—

"15. *Validation*.—Notwithstanding anything contained in the Kerala Local Authorities Entertainments Tax Act, 1961 (20 of 1961) any tax collected or paid under the first proviso to section 3 of the said Act at such higher rates by virtue of the provisions of the Kerala Finance Bill, 2019 (Bill No. 185 of the XIV Kerala Legislative Assembly) in respect of the period with effect from 1st day of April, 2019 to the date of publication of this Act shall be deemed to have been validly collected or paid and the tax so collected shall not be refunded."

4. All other changes are either verbal or consequential.
5. The minutes of dissent are appended.

Thiruvananthapuram,  
June 28, 2019.

DR. T. M. Thomas ISAAC,  
*Chairman,*  
*Subject Committee VIII.*

## വിയോഗനക്കുറിപ്പ് I

ബില്ലിലെ 14-ാം വകുപ്പായി കൊണ്ടുവന്നിട്ടുള്ള കേരള പ്രളയ സെസ്സ് ജനങ്ങൾക്ക് അധികഭാരം ഉണ്ടാകുന്ന ഒന്നാണ്.

പ്രളയത്തിന്റെ കെടുതിയെ നേരിടുന്നതിനു വേണ്ടി ഗവൺമെന്റിന്റെ ആഭിമുഖ്യത്തിൽ നടത്തിയ ധനസമാഹരണവും മറ്റ് സംസ്ഥാനങ്ങളും കേന്ദ്ര സർക്കാരും നൽകിയ സാമ്പത്തിക സഹായവും അടക്കമുള്ള തുക എത്രയെന്നും അതിൽ എത്ര തുക ചെലവഴിച്ചു എന്നും ബാക്കി തുക എത്രയുണ്ട് എന്നും ജനങ്ങൾക്കറിയാൻ അവകാശമുണ്ട്. ഈ തുക പൂർണ്ണമായും ചെലവഴിക്കാതെ സാധാരണക്കാരിലേക്ക് സെസ്സ് വഴി കൂടുതൽ നികുതിഭാരം അടിച്ചെല്പിക്കുന്ന നിലപാടിനോട് യോജിക്കാൻ കഴിയില്ല. മാത്രമല്ല പ്രളയബാധിത പ്രദേശങ്ങളിൽ നിർമ്മാണപ്രവർത്തനങ്ങൾ ഗുതഗതിയിൽ നടത്തേണ്ട സാഹചര്യത്തിൽ നിർമ്മാണ സാധനങ്ങൾക്ക് അമിതമായി വില വർദ്ധിക്കുവാൻ ഈ സെസ്സ് ഈടാക്കുന്നത് കാരണമാകും. ഇത് ജനങ്ങളെ കൂടുതൽ വിഷമത്തിലാക്കുമെന്നതിനാൽ ഇതിനോട് വിയോഗിപ്പ് രേഖപ്പെടുത്തുന്നു.

ഡോ. എൻ. ജയരാജ്

(ഒപ്പ്)

വി. ഡി. സതീശൻ

(ഒപ്പ്)

എം. ഉമ്മർ

(ഒപ്പ്)

## വിയോജനക്കുറിപ്പ് II

കേരളാ എഡ് സെസ്സ് (ഖണ്ഡം 14)

പ്രളയത്തിന്റെ കെടുതിയെ നേരിടുന്നതിനുവേണ്ടി ഗവണ്മെന്റിന്റെ ആഭിമുഖ്യത്തിൽ നടത്തിയ ധനസമാഹരണവും മറ്റ് സംസ്ഥാനങ്ങളും കേന്ദ്ര സർക്കാരും നൽകിയ സാമ്പത്തിക സഹായവും അടക്കമുള്ള തുക എത്രയെന്നും അതിൽ എത്ര തുക ചെലവഴിച്ചു എന്നും ബാക്കി എത്ര തുക ഉണ്ട് എന്നും ജനങ്ങൾക്ക് അറിയാൻ അവകാശമുണ്ട്. ഈ തുക പൂർണ്ണമായും ചെലവഴിക്കാതെ സാധാരണക്കാരിലേക്ക് കൂടുതൽ നികുതിഭാരം അടിച്ചേൽപ്പിക്കുന്ന നിലപാടിനോട് യോജിക്കാൻ കഴിയില്ല മാത്രവുമല്ല പ്രളയബാധിത പ്രദേശങ്ങളിൽ നിർമ്മാണപ്രവർത്തനങ്ങൾ ധൃതഗതിയിൽ നടത്തേണ്ട സാഹചര്യത്തിൽ നിർമ്മാണ സാധനങ്ങൾക്ക് അമിതമായി വില വർദ്ധിക്കാനുള്ള സാധ്യതയും നിലനിൽക്കുന്നു. ഇക്കാരണത്താൽ അസമയത്ത് അടിച്ചേൽപ്പിക്കുന്ന അധിക നികുതി ജനങ്ങളെ കൂടുതൽ വിഷമത്തിൽ എത്തിക്കും.

തിരുവഞ്ചൂർ രാധാകൃഷ്ണൻ.

(ഒപ്പ്)

### വിയോഗനക്കുറിപ്പ് III

2019-ലെ ധനകാര്യ ബിൽ പ്രകാരം, 1961-ലെ കേരള തദ്ദേശാധികാരസ്ഥാന വിനോദ നികുതി ആക്ടിലെ 3-ാം വകുപ്പിൽ കൊണ്ടുവന്നിട്ടുള്ള ഭേദഗതി പ്രകാരം ഓരോ സിനിമ പ്രവേശനത്തിനുള്ള ടിക്കറ്റിന്റെ വിലയുടെമേൽ 10 ശതമാനം നിരക്കിൽ വിനോദനികുതി എർപ്പെടുത്തുവാനാണ് നിർദ്ദേശിച്ചിട്ടുള്ളത്. സിനിമ ടിക്കറ്റിന്മേൽ ജി.എസ്.ടി. 28 ശതമാനത്തിൽ നിന്നും 18 ശതമാനമായി കുറവ് ചെയ്തെങ്കിലും പ്രസ്തുത ആനുകൂല്യം ജനങ്ങൾക്ക് നൽകാതെ തിയേറ്റർ ഉടമകൾ ടിക്കറ്റിന്റെ അടിസ്ഥാനവില വർദ്ധിപ്പിക്കുകയാണ് ഉണ്ടായത്. ജി.എസ്.ടി. ഇനത്തിൽ അധികമായി കിട്ടിയ തുക പഞ്ചായത്തുകളുമായി വിതം വയ്ക്കണം. ഇപ്പോൾ 10 ശതമാനം വിനോദ നികുതി കൂടി ഈടാക്കുന്നത് ജനങ്ങൾക്ക് അധികഭാരം ഉണ്ടാക്കുമെന്നതിനാൽ ഇത് 5 ശതമാനമായി കുറയ്ക്കണം. ഈ നിർദ്ദേശം അംഗീകരിക്കാത്തതിനാൽ ഈ ഭേദഗതിയോട് വിയോഗിപ്പ് രേഖപ്പെടുത്തുന്നു.

അനിൽ അക്കര

(ഒപ്പ്)

കെ. എസ്. ശബരീനാഥൻ

(ഒപ്പ്)

## വിയോഗനക്കുറിപ്പ് IV

2019-ലെ കേരള ധനകാര്യ ബിൽ പ്രകാരം 1975 ലെ കേരള മോട്ടോർ വാഹന നിയമം ചുമത്തൽ ആക്ടിലെ 25(2)-ാം വകുപ്പിൽ കൊണ്ടുവന്നിട്ടുള്ള ഭേദഗതി പ്രകാരം പുതുതായി വാങ്ങുന്ന മോട്ടോർ സൈക്കിൾ, മോട്ടോർ കാറുകൾ, സ്വകാര്യ സർവ്വീസ് വാഹനങ്ങൾ എന്നിവയുടെ ഒറ്റത്തവണ നിയമനിയമനിലയിൽ ഒരു ശതമാനം വർദ്ധനവ് വരുത്തിയിരിക്കുകയാണ്. പ്രളയത്തിന് ശേഷമുള്ള സാമ്പത്തിക മാന്ദ്യം മൂലം മോട്ടോർ വാഹന വില്പനയിൽ ഉണ്ടായിട്ടുള്ള തകർച്ചക്കിടയിൽ ഇത്തരത്തിൽ ഒരു ശതമാനം ഒറ്റത്തവണ നിയമനില വർദ്ധിപ്പിക്കുന്നത് പ്രസ്തുത മേഖലയെ വീണ്ടും പ്രതിസന്ധിയിലേക്ക് നയിക്കുമെന്നതിനാൽ പ്രസ്തുത നിർദ്ദേശത്തോട് വിയോഗിച്ച് രേഖപ്പെടുത്തുന്നു.

എൻ. ഷംസുദ്ദീൻ.

(ഒപ്പ്)

# THE KERALA FINANCE BILL, 2019

As reported by the Subject Committee

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

A

## BILL

to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2019–2020.

*Preamble.*—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2019–2020;

BE it enacted in the Seventieth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance Act, 2019.

(2) Save as otherwise provided in this Act, it shall come into force on the 1st day of April, 2019.

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 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 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.

(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 30<sup>th</sup> September, 2019:

Provided that with respect to demands generated after 30<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 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 surchage.

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

3. *Amendment of Act 35 of 1958.*—In the Kerala Money-Lenders Act, 1958 (35 of 1958),—

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in section 7, for sub-section (1) the following sub-section shall be substituted, namely:—

“(1) No money-lender shall charge interest on any loan at a rate exceeding eighteen per cent simple interest per annum and two percent processing charge.”

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

(1) in section 2,—

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

“*Explanation:*—The terms “signed” and “signature” also include attribution of electronic record as per section 11 of the Information Technology Act, 2000 (Central Act 21 of 2000).”;

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

“*Explanation:*—The term “document” also includes any electronic record as defined in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000 (Central Act 21 of 2000).”.

(2) in section 12A, sub-section (2) shall be omitted.

(3) after section 33, the following section shall be inserted, namely:—

"33A. *Recovery of deficit stamp duty in certain cases.*—(1) When through mistake or otherwise any instrument which is not duly stamped is registered under the Registration Act, 1908 (Central Act XVI of 1908), any registering officer may, call for the original instrument from the party and after giving the party an opportunity of being heard and recording the reasons in writing and furnishing a copy thereof to the party, impound it. On failure to produce such original instrument by the party, a true copy of such instrument taken out from the registration record shall, for all purposes of this section, be deemed to be the original of such instrument.

Provided that nothing herein contained shall authorise, a registering officer to call for or impound such instrument or true copy, after the expiry of ten years from the date of registration of such instrument.

(2) When such instrument has been impounded, the registering officer shall send such original instrument or true copy, as the case may be, together with the records and reasons in writing and the amount of deficit duty due thereon, to the Collector."

(4) in section 39,—

(a) in sub-section (1), after the words "sent to him under", the words, symbol, brackets, figures and letter "sub-section (2) of section 33A or" shall be inserted;

(b) in sub-section (3), for the figure "38", the figure "37" shall be substituted;

(5) after section 45C, the following section shall be inserted, namely:—

"45D. *Stamp duty chargeable with rectification deed.*—Where a deed, which does not create, transfer, limit or extend any right or liability, purports to rectify any error in the description of property as set out in any previous instrument, falling within the purview of sub-section (1) of section 45A, in such a way that such a rectification would cause increase in the fair value of the property transferred, then the amount of duty chargeable on such deed of rectification shall be the duty chargeable on it under the Schedule for the actual nature of transaction less the duty, if any, already paid in respect of such previous instrument."

(6) in THE SCHEDULE,—

(a) in serial number 5,—

(i) in clause (c) for the entries in column (3) the following entries shall be substituted, namely:—

“One per cent of the value of the estimated cost of proposed construction or development or value of consideration of such agreement or fair value of the land, whichever is higher subject to a maximum of rupees 1000.”.

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

“*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.”;

(b) for serial number 6 and the entries against it in columns (2) and (3), the following serial number and entries shall respectively, be substituted, namely:—

“6. Agreement relating to deposit of title deeds, pawn or pledge, that is to say, any instrument evidencing an agreement relating to,—

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|--|--|
| <p>(1) the deposit of title deeds or instrument constituting or being evidence of the title to any property whatever (other than a marketable security), where such deposit has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt.</p> | <p>0.1 per cent of the amount secured by such deed, subject to a minimum of rupees two hundred and a maximum of rupees ten thousand.</p> |
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- (2) the pawn or pledge of movable property where such pawn or pledge has been made by way of security for repayment of money advanced, or to be advanced by way of loan or an existing or future debt. 0.1 per cent of the amount secured by such deed, subject to a minimum of rupees two hundred and a maximum of rupees ten thousand.
- (3) Release, discharge or cancellation of any instrument specified under clause (1) or clause (2) 0.1 per cent of the amount set forth in the instrument subject to a maximum of rupees one thousand.

*Explanation:—*For the purpose of clause (1) of this serial number, notwithstanding anything contained in any judgment, decree or order of any court or order of any authority, any letter, note, memorandum or writing relating to the deposit of title deeds whether written or made either before or at the time when or after the deposit of title deeds is effected, and whether it is in respect of the security for the first loan or any additional loan or loans taken subsequently, such letter, note, memorandum or writing shall, in the absence of any separate agreement or memorandum of agreement relating to deposit of such title deeds, be deemed to be an instrument, evidencing an agreement relating to the deposit of title deeds.”.

(c) in serial number 10, in clause (c), for the entries in column (3), the following entries shall be substituted, namely:—

“0.15 per cent of the authorised capital subject to a minimum of rupees 5000 and a maximum of rupees 25 lakhs.”;

(d) after serial number 35A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

**"35B. Limited Liability Partnership,—**

- A Agreement relating to constitution of Limited Liability Partnership, or conversion of firm or private company or unlisted public limited company into Limited Liability Partnership,—**
- (a) where the capital does not exceed rupees ten lakhs      Rupees one thousand
- (b) where the capital exceeds rupees ten lakhs      Rupees one thousand plus rupees five hundred for every rupees five lakhs or part thereof, exceeding rupees ten lakhs capital amount, subject to a maximum of rupees ten lakhs
- B Agreement relating to reconstruction or amalgamation of Limited Liability Partnership**      4 per cent on the consideration or fair value of the immovable property of the transferor limited liability partnership, located within the State of Kerala, whichever is higher.
- C Agreement relating to winding up or dissolution of Limited Liability Partnership,—**

(a) where on a dissolution of the partnership any immovable property is taken as his share by a partner other than a partner who brought in that property as his share of contribution in the limited liability partnership. 5 per cent on the fair value of property subject to a minimum of rupees 200.

(b) in any other case Rupees five hundred.”;

(e) in serial number 37,—

(i) in clause (a), “after the words “agreed to be given””, the following words, brackets and letter shall be, inserted, namely:—

“and not being a mortgage specified in clause (d)”;

(ii) in clause (b), after the words “agreed to be given”, the following words, brackets and letter shall be, inserted, namely:—

“and not being a mortgage specified in clause (d)”

(f) in serial number 48, clause (b) shall be relettered as clause (c) and before clause (c) as so relettered, the following clause shall be inserted, namely:—

“(b) release deeds executed by commercial banks in respect of agriculture loans, educational loans and other loans.	0.1 per cent of the amount set forth in the instrument subject to a maximum of Rupees One thousand.”.
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5. *Amendment of Act 10 of 1960.*—In the Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960), in SCHEDULE II, for clause (c) of sub-item (C) of item (iii) of Article 3, the following clause shall be substituted, namely:—

“(c) where such income exceeds two lakh rupees,—

(i) in the case of Appeal by the Government of India.	2 per cent of the relief sought for subject to a maximum of rupees twenty thousand.
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(ii) in all other cases

5 per cent of the relief sought for subject to a maximum of rupees two lakhs.”.

6. *Amendment of Act 20 of 1961.*—In the Kerala Local Authorities Entertainments Tax Act, 1961 (20 of 1961), in section 3,—

(i) in the existing proviso for the words ‘provided that’ the words ‘provided further that’ shall be substituted;

(ii) before the existing proviso the following proviso shall be inserted;

“Provided that in the case of admission to cinema, the entertainment tax shall be at a rate not exceeding ten per cent on each price for admission to cinema.”.

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

(1) in section 5, in sub-section (2), after sub-clause (ii), the following proviso shall be inserted, namely:—

“Provided that no turnover tax shall be leviable on the turnover of foreign liquor transferred or disposed by a dealer in foreign liquor as per the orders of the Excise Department pursuant to the Abkari policy of the Government for the year 2014-2015.”;

(2) in section 7, the following proviso shall be inserted, namely:—

“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 2014-2015 and such FL-11 licencees had conducted business under such licence for a full financial year.”;



(3) 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 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 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 assesseees which will then be binding on the revenue authorities and such assesseees 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 30<sup>th</sup> September, 2019:

Provided that with respect to demands generated after 30<sup>th</sup> 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 contained 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 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.”

(4) in THE SCHEDULE, in serial number 2, under the heading ‘Foreign Liquor’, for the entries “25, 78, 100, 70, 210, 200” against sub-entries (i), (ii), (iii), (iv) and sub-items (a) and (b) of sub-entry (v), the entries “27, 80, 102, 72, 212, 202” shall, respectively, be substituted.”

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

(1) in section 5A, 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 based on the plinth area at the rate specified in schedule II, annually on all residential buildings having a plinth area of above 278.7 square metre completed on or after the 1<sup>st</sup> day of April, 1999.

(2) the existing Schedule shall be numbered as ‘SCHEDULE I’ and after the Schedule as so numbered, the following Schedule shall be inserted, 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	4000
3	Above 464.50 Square metres but not exceeding 696.75 Square metres	6000
4	Above 696.75 Square metres but not exceeding 929 Square metres	8000
5	Exceeding 929 Square metres	10000”.

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

(1) for section 25, the following section shall be substituted, namely :—

“25. *Surcharge on Tax.*—The amount of tax leviable under sub-section (1) of section 3 shall, in the case of any Motor Vehicle referred to in sub-item (iii) of item 7 of the Schedule the registered owner of which is a fleet owner, be increased by a surcharge at the rate of forty per cent of the tax so leviable:

Provided that no surcharge is leviable from the vehicles owned by State Transport Undertaking.”.

(2) in Annexure -I, under the heading "ONE TIME TAX" in serial number A, for the entries in column (3) against items 1, 2, 2A, 4, 5, 6, 7 and 7A, the following entries shall, respectively, be substituted, namely :—

"9% of the purchase value of the vehicle

11% of the purchase value of the vehicle

21% of the purchase value of the vehicle

7% of the purchase value of the vehicle

9% of the purchase value of the vehicle

11% of the purchase value of the vehicle

16% of the purchase value of the vehicle

21% of the purchase value of the vehicle."

10. *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 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 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 assesseees which will then be binding on the revenue authorities and such assesseees 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 30<sup>th</sup> September, 2019:

Provided that with respect to demands generated after 30<sup>th</sup> 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 31<sup>st</sup> 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 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.”

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

(1) in section 4, in sub-section (4), in item (v), for the words, “other than the Chairman”, the words, “other than the Chairman of the Appellate Tribunal or the Judicial Officer not below the rank of a District Judge of the Additional Appellate Tribunal”, shall be substituted.

(2) after section 25A, the following section shall be inserted, namely:—

“25AA. *General disciplines related to assessment under this Act.*—(1) In cases where tax evasion has been detected and the offence has been compounded or penalty has been imposed under this Act, the assessment under the provisions of this Act shall be done only on the suppressed turnover detected:

Provided that in cases where pattern of suppression has been established, the assessment shall be completed by adding fifty per cent of the suppressed turnover.

(2) In case of assessments initiated from the scrutiny of electronically filed returns, annexures and other declarations,—

(a) with respect to unaccounted purchases from registered dealers within the State by dealers, notwithstanding anything contained in this Act, input tax credit shall be granted on such purchases, provided the dealer admits such purchases. In such cases, assessment shall be completed by adding 20 per cent gross profit on the purchase value.

(b) In case of detection of suppression or variation in inter-State purchases, inter-State stock transfers, import and purchases from unregistered dealers, 25 per cent gross profit shall be added to such purchases for arriving at the sale value and assessed to tax.

(c) If sale suppression is detected, the suppressed turnover shall alone be assessed, without any additions.;

(3) Discounts, incentives and other income shown in trading, profit and loss account shall be assessed only if, it affects the output tax or input tax credit.

(4) Suppressed turnover of works contractors and cooked food dealers who have paid compounded tax under clauses (a) and (c) of section 8 shall be assessed at the applicable compounded rate by adding 25 per cent of the suppressed turnover and in such cases the option of compounding shall not be cancelled.

(5) If any suppression of turnover of gold is detected with respect to dealers who have paid compounded tax under clause (f) of section 8, such suppressed turnover alone shall be assessed at the schedule rates applicable to the goods and in such cases the option of compounding for that year shall not be cancelled.

(6) If any interstate purchases are detected with respect to a cooked food dealer paying tax under sub-clause (i) of clause (c) of section 8 in violation of item (d) of the said sub-clause, such purchases shall alone be assessed to tax by adding 20 percent gross profit, and the compounding for the years shall not be cancelled.;

(7) Those dealers, who have defaulted in submitting the statutory forms for applying concession or exemption in tax under the Central Sales Tax Act, 1956 (Central Act 74 of 1956) or under this Act, assessment shall be limited only to such turnover not covered by such statutory forms.

(8) If any difference in turnover is disclosed in annual return, trading, profit and loss account and audit report, is noticed, subject to other provisions of this Act, the assessment in such cases shall be limited only to such variation.

(9) in case of variations between return and books of accounts pointed out voluntarily by the dealer subject to the returns annexures and statements filed by the dealer assessment shall be limited to such differential turnover only.”.

(3) in section 25E,—

(i) in sub-section (2), for the words and figures, “30<sup>th</sup> June, 2018”, the words and figures, “30<sup>th</sup> September, 2019”, shall be substituted;

(ii) in sub-section (5), for the words and figures, “30<sup>th</sup> September, 2018”, the words and figures, “31<sup>st</sup> March, 2020”, shall be substituted.

(4) for section 31A, the following section shall be substituted, namely:—

“31A. *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) 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 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 assesseees which will then be binding on the revenue authorities and such assesseees 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 30<sup>th</sup> September, 2019:

Provided that with respect to demands generated after 30<sup>th</sup> 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 amounts due as per this section shall be completed on or before 31<sup>st</sup> 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 31<sup>st</sup> March, 2020.

(8) Notwithstanding anything contained in section 91, 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 including the tax paid under clause (a) of sub-section (1) of section 74, such amount 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.”.

(5) in section 31B,-

(i) in clause (a) for the words and figures, “30<sup>th</sup> April, 2018” and “31<sup>st</sup> May, 2018” the words and figures, “30<sup>th</sup> April, 2019” and “30<sup>th</sup> September, 2019” shall respectively, be substituted.

(ii) in clause (b), for the words and figures, “30<sup>th</sup> April, 2018” and “31<sup>st</sup> March, 2019 whichever is earlier” the words and figures, “30<sup>th</sup> April, 2019” and “30<sup>th</sup> September, 2019” shall respectively, be substituted.

(6) in section 42, in the second proviso, to sub-section(2), for the words and figures, “30<sup>th</sup> June, 2018”, the words and figures, “30<sup>th</sup> September, 2019” shall be substituted.”.

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 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 repealed Act, relating to the period up to and including 31<sup>st</sup> 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 judgment 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 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 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 30<sup>th</sup> September, 2019:

Provided that with respect to demands generated after 30<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 (32 of 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 there under, 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 1<sup>st</sup> 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 1<sup>st</sup> day of April, 2019.

(2) in case where tax evasion has been detected and offence has been compounded or penalty has been imposed under the provisions of the repealed Act, the assessment under the provisions of the repealed Act shall be done only on the suppressed turnover detected.

Provided that in cases where pattern of suppression has been established the assessment shall be completed by adding fifty per cent of the suppressed turnover.

14. *Kerala Flood Cess.*— (1) There shall be levied a cess called the Kerala Flood Cess on such intra-State supplies of goods or services or both made

in furtherance of business by a taxable person as provided for in section 9 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and collected in such manner, as may be prescribed, by rules made by the Government in this behalf, for the purposes of providing reconstruction, rehabilitation and compensation needs which had arisen due to the massive flood which occurred in the State of Kerala in the month of August, 2018, for a period of two years, with effect from the date notified by the Government in the Official Gazette:

Provided that no such cess shall be leviable on,-

(i) supplies made by a taxable person who is paying tax under section 10 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) or opted to pay tax as per G.O.(P) No.66/2019/TAXES dated 30<sup>th</sup> March, 2019 and published as S.R.O. No.256/2019 in the Kerala Gazette Extraordinary No.882 dated 30<sup>th</sup> March, 2019.;

(ii) supplies of goods or services or both wholly exempted from tax by virtue of notifications issued under section 11 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017); and;

(iii) supplies of goods or services or both made in furtherance of business by a taxable person in the State to another taxable person having goods and services tax registration in the State, ;

(2) The cess shall be levied on such supplies of goods and services as are specified in column (2) of the table below, on the basis of value determined under section 15 but excluding the cess levied under this section of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) at such rate set forth in the corresponding entry in column (3) of the Table.

TABLE

Sl.No	Description of goods or services or both	Rate of cess
(1)	(2)	(3)
1.	Supplies of goods for which tax rate is fixed at 0.125 % by notification issued under sub-section(1) of section 9 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017).	Nil
2.	Supplies of goods for which tax rate is fixed at 1.5 % by notification issued under sub-section(1) of section 9 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017).	0.25%
3.	Supplies of goods or services for which tax rate is fixed at 2.5 % by notification issued under sub-section(1) of section 9 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017).	Nil
	[***]	
4.	Supplies of goods or services or both for which tax rate is fixed at 6%, 9% and 14% by notifications issued under sub-section(1) of section 9 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017).	1%

(3) Every taxable person, making a taxable supply of goods or services or both, shall,—

(a) pay the amount of cess as payable under this section in such manner; and

(b) furnish such returns in such forms, along with the returns to be filed under the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in such manner, as may be prescribed.

(4) The provisions of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and Central Goods And Services Tax Act, 2017 (Central Act 12 of 2017) and the rules made thereunder, including those relating to definitions, authorities, assessment, audits, non-levy, short-levy, interest, appeals, recovery of tax, offences and penalties, shall, as far as may be, *mutatis mutandis*, apply, in

relation to the levy and collection of the cess leviable under section 9 on the intra-State supply of goods and services, as they apply in relation to the levy and collection of tax on such intra-State supplies under the said Act or the rules made there under.

15. *Validation.*—Notwithstanding anything contained in the Kerala Local Authorities Entertainments Tax Act, 1961 (20 of 1961) any tax collected or paid under the first proviso to section 3 of the said Act at such higher rates by virtue of the provisions of the Kerala Finance Bill, 2019 (Bill No.185 of the XIV Kerala Legislative Assembly) in respect of the period with effect from 1st day of April, 2019 to the date of publication of this Act shall be deemed to have been validly collected or paid and the tax so collected shall not be refunded.

Secretariat of the Kerala Legislature,  
Thiruvananthapuram,  
28<sup>th</sup> June 2019.

C. JOS,  
*Secretary-in-charge.*