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Fourteenth Kerala Legislative Assembly

Bill No. 185

THE KERALA FINANCE BILL, 2019

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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) 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 tax in arrears by availing a complete reduction of the penalty amount, interest on the tax 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 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 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 tax 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 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 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 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.”

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

(1) in section 4, after sub-section (2B) the following sub-section shall be inserted, namely:—

“(2C) No licensee shall disburse loan amount of rupees twenty thousand or above otherwise than by a cheque.”

(2) 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.”

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.

(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 or 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,—

(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.

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.

- | | |
|--|---|
| (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 substituted, 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 word “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 word “aforesaid”, 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 the rate of 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 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 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 sub-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 1st 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 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 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 Presiding Officer 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 to 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 sales suppression is detected, only the differential turnover between the suppressed turnover and the turnover conceded shall alone be assessed.

(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) 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.

(7) 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.

(8) 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, “30th June, 2018”, the words and figures, “30th September, 2019”, shall be substituted;

(ii) in sub-section (5), for the words and figures, “30th September, 2018”, the words and figures, “31st 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 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 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 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 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, in clause (b), for the words and figures, “31st March, 2019”, the words and figures, “30th September, 2019”, shall be substituted.

(6) in section 42, in the second proviso, for the words and figures, “30th June, 2018”, the words and figures, “30th 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 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 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 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 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 (32 of 1976) deemed to be completed.*— 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 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.

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 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, 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 has decided to opt for composition levy under section 10 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017);

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

(iii) supplies of goods and services or both made by a registered taxable person to another registered taxable person.

(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 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 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 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).	1%
5.	Supplies of goods and 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.

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 shall have effect on and from the 1st day of April, 2019 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 proposals of the Government of Kerala for the financial year 2019-2020 as announced in paragraphs 255 to 269, 271, 274, 276, 278, 281, 282, 284 to 288 290, 291 and 296 of the Budget Speech 2019-2020, namely:—

1. The Kerala Surcharge on Taxes Act, 1957 (11 of 1957);
2. The Kerala Money-Lenders Act, 1958 (35 of 1958);
3. The Kerala Stamp Act, 1959 (17 of 1959);
4. The Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960);
5. The Kerala Local Authorities Entertainments Tax Act, 1961 (20 of 1961);
6. The Kerala General Sales Tax Act, 1963 (15 of 1963);
7. The Kerala Building Tax Act, 1975 (7 of 1975);
8. The Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976);
9. The Kerala Agricultural Income Tax Act, 1991 (15 of 1991);
10. The Kerala Value Added Tax Act, 2003 (30 of 2004);

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 (1) of clause 14 of the Bill, seeks to empower the Government to prescribe the manner of collecting the Kerala Flood Cess for the purpose of providing reconstruction, rehabilitation and compensation needs which had arisen due to the massive flood.

2. Item (a) of sub-clause (3) of clause 14 of the Bill seeks to empower the Government to prescribe the manner of payment of cess and item (b) of said sub-clause seeks to empower the Government to prescribe the form and manner in

which the returns for cess shall be filed along with returns to be filed under the Kerala State Goods and Services Tax Act, 2017 (20 of 2017).

3. The matters in respect of which rules are to be made are either administrative in nature or matters of procedure and are of routine in nature. Further, the rules after they are made, will be subject to the scrutiny of 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)

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3A. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act, or in any Judgement, decree or order of any court, tribunal or appellate authority, an assessee who is in arrears of surcharge or any other amount due under the Act relating to the period ending on 31st March, 2005, may opt for settling the arrears by availing reduction at the following rates.

(a) in the case of demands relating to the periods up to and including 31st March, 1991, a reduction of twenty-five per cent for the principal surcharge amount, and complete reduction of the interest on the surcharge amount and for the amount of penalty and interest thereon;

(b) in the case of demands relating to the period from 1st April 1991 to 31st March, 1996, a complete reduction of the interest on the surcharge amount, and for the amount of penalty and interest thereon;

(c) in the case of demands relating to the period from 1st April 1996 to 31st March, 2000, a reduction of ninety-five per cent of the interest on the surcharge amount, and for the amount of penalty and interest thereon;

(d) in the case of demands relating to the period from 1st April 2000 to 31st March, 2005, a reduction of ninety per cent of the interest on the surcharge amount, and the amount of penalty and interest thereon.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 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 assessee shall not be liable for payment of any collection charges.

(3) An assessee who wishes to opt for payment of arrears under the section shall make an application to the assessing authority in the prescribed form before 30th September 2011 or on such date as may be notified by the Government.

(4) On receipt of an application under sub-section (3), the assessing authority shall verify the same and intimate the amount due to the assessee and thereupon the assessee shall remit the amount in lump sum or in three equal instalments, on or before 31st December, 2010:

Provided that notwithstanding anything contained in this section, where,

(a) after the last date for filing option, the Government have notified a further date under sub-section(3);and

(b) if an applicant had filed his option earlier and remitted at least one instalment, but had failed to remit the balance amount due and his earlier option was revoked by the assessing authority;

on furnishing of a fresh option, the amount paid under the earlier option shall be treated as the amount paid under the subsequent option.

(5) If the assessee commits any default in payment of the instalments, the reduction granted under sub-section(1) is liable to be revoked.

(6) No action under sub-section (5) shall be taken without giving notice to the assessee.

(7) If the amount settled under this provision has been a subject matter of appeal or revision, such appeal and revision may be continued and if the final orders of such appeal or revision results in the reduction of surcharge payable under this Act, the amount so reduced shall be refunded. But if, as the result of such appeal or revision, the surcharge payable under this Act is enhanced, the dealer shall pay such enhanced amount, with interest thereon, in accordance with the provisions of this Act.

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EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA MONEY-LENDERS ACT, 1958

(35 OF 1958)

** ** * *

4. *Grant and refusal of licences.*—(1) Application for a money-lender's licence shall be in writing and shall be made to the licensing authority and in the manner prescribed under this Act,—

** ** * *

(2B) For the purposes of sub-section (2A), the amount lent by a licensee for the year for which the security is to be paid shall be deemed to be the aggregate amount lent by him during the previous year:

Provided that in the case of a new licensee or a person who was a licensee only for a portion of the preceding year, the amount of security shall be determined on the basis of a declaration in the prescribed form as to the amount which he is likely to lend during the year, filed before the licensing authority in the prescribed manner.

** ** * *

7. *Interest and charges allowed to money-lenders.*—(1) No money-lender shall charge interest on any loan at a rate exceeding two per cent above the maximum rate of interest charged by commercial banks on loans granted by them:

Provided that money-lender shall be entitled to charge a minimum of one rupee as interest on any transaction.

Provided further that the Government may specify, by notification, the rate of interest under sub-section(1) from time to time.

** ** * *

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—

** ** ** **

(f) “executed” and “execution” used with reference to instruments, mean “signed” and “signature”;

** ** ** **

(j) “instrument” includes every document by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded but does not include a bill of exchange, promissory note, bill of lading, letter of credit, policy of insurance, transfer of share, debenture, proxy and receipt;

** ** ** **

12A. *Defacement of e-stamp.*—(1) Any e-stamp in an instrument shall be defaced through online verification system by the Registering Officer or any other officer authorised by the Government, in such manner as may be prescribed, so that the same cannot be used again.

(2) Any instrument bearing an e-stamp which has not been defaced, so far as such stamp is concerned be deemed to be unstamped.

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CHAPTER IV

INSTRUMENTS NOT DULY STAMPED

33. *Examination and impounding of instruments.*—(1) Every person having by law or consent of parties authority to receive evidence, and every person in charge of a public office, except an Officer of Police, before whom any

instrument, chargeable in his opinion, with duty, is produced or comes in the performance of his functions, shall, if it appears to him that such instrument is not duly stamped, impound the same.

(2) For that purpose every such person shall examine every instrument so chargeable and so produced or coming before him, in order to ascertain whether it is stamped with a stamp of the value and description required by the law in force in the State when such instrument was executed or first executed:

Provided that—

(a) nothing herein contained shall be deemed to require any Magistrate or Judge of a Criminal Court to examine or impound, if he does not think fit so to do, any instrument coming before him in the course of any proceeding other than a proceeding under Chapter XII or XXXVI of the Code of Criminal Procedure, 1898;

(b) in the case of a judge of the High Court, the duty of examining and impounding any instrument under this section may be delegated to such officer as the Court appoints in this behalf.

(3) For the purposes of this section, in cases of doubt, the Government may determine—

(a) what offices shall be deemed to be public offices; and

(b) who shall be deemed to be persons in charge of public offices.

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39. *Collector's power to stamp instruments impounded.*—(1) When the Collector impounds any instrument under Section 33, or receives any instrument sent to him under sub-section (2) of Section 37, not being an instrument chargeable with a duty of twenty paise or less, he shall adopt the following procedure:—

** ** *

(3) Where an instrument has been sent to the Collector under sub-section (2) of Section 38, the Collector shall, when he has dealt with it as provided by this section, return it to the impounding officer.

** ** *

45C. Purchase of land by Government.—(1) Notwithstanding anything contained in Section 45A or section 45B, where a registering officer while registering any instrument, other than an instrument of partition, settlement or gift, among the members of a family, transferring any property, has reason to believe that the value of the land or the consideration set forth in the instrument is less by fifteen per cent or more of the fair value of the land fixed under Section 28A, he may refer the same to the Collector for an order for purchase of the land by the Government.

(2) On receipt of a reference under sub-section (1), the Collector shall, after giving the parties a reasonable opportunity of being heard and after holding an enquiry in the manner as may be prescribed by rules made under this Act, by order, determine the duty based on the fair value of the land and direct the person liable to pay the duty to pay the deficit amount of duty together with such penalty not exceeding twenty five per cent of the fair value of the land within such time as he may fix, which shall not be less than twenty-one days and, on payment of such duty, the Collector shall endorse a certificate of such payment on the instrument under his seal and signature and thereupon the instrument shall be duly registered by the registering officer.

(3) Where the person fails to comply with the direction under sub-section (3), the Collector shall order for the purchase of the land by the Government by paying the value of land or consideration set forth in the instrument together with an amount equal to twenty five per cent of such value or consideration.

(4) Where an order for the purchase of any land by the Government is made under sub-section (3), the Government shall pay by way of consideration for such purchase an amount equal to the amount specified in the said sub-section and on payment of such amount, the land shall vest in the Government free from all encumbrances.

(5) Any person aggrieved by an action under sub-section (4) may, within thirty days of the date of purchase by the Government, appeal to the District Court within whose jurisdiction the property purchased is situate.

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THE SCHEDULE

<i>Sl.No.</i>	<i>Description Instrument</i>	<i>Proper Stamp Duty</i>
(1)	(2)	(3)
**	**	**
**	**	**
5.	Agreement or memorandum of an Agreement—	
(a)	if relating to the sale of a bill of exchange:	One rupee
**	**	**
(c)	if relating to giving authority or power to a promoter or developer, by whatsoever name called, for construction, development or sale or transfer (in any manner whatsoever) of any immovable property.	The same duty as a conveyance (under 21 or 22 as the case may be) on the value or the estimated cost of proposed construction/development of such property as the case may be.
**	**	**
(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.
**	**	**
(g)	If not otherwise provided for :	Two hundred rupees
6.	Agreement relating to deposit of title deeds, pawn or pledge, that is to say, any instrument evidencing any agreement relating to—	
(1)	the deposit of title deeds or instruments constituting or being evidence of the title	

to any property whatever (other than marketable security), or

- (2) the pawn or pledge of movable property, where such deposit, pawn or pledge 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—
- | | |
|---|---|
| (i) If the amount secured is up to rupees 5 lakhs | 0.5% of the amount. |
| (ii) If the amount secured exceeds rupees 5 lakhs but does not exceed rupees 20 lakhs | 0.5% of the amount subject to a maximum of rupees 5,000. |
| (iii) If the amount secured exceeds rupees 20 lakhs but does not exceed rupees 50 lakhs | 0.5% of the amount subject to a maximum of rupees 10,000. |
| (iv) If the amount secured exceeds rupees 50 lakhs | 0.25% of the amount subject to a minimum of rupees 20,000 and a maximum of rupees 25,000. |
- (3) Release, discharge or cancellation of any instrument specified under clause (1) or clause (2)
- The same duty with which such agreement [clause (1) or (2), as the case may be] is chargeable.

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10. Articles of Association of a Company,—

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

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- (c) if relating to companies having authorised capital above Rs. 25 lakhs 0.5 per cent of the paid up capital.

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35A. Licence to let—

including any agreement to let or sublet for rent or fee The same duty as a lease (No.33).

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37. Mortgage deed, not being an agreement relating to deposit of title deeds, pawn or pledge (No.6), Bottomry Bond (No.14), mortgage of a crop (No.38), Respondentia Bond (No.49) or Security Bond (No.50)—

- (a) When possession of the property or any part of property comprised in such deed is given by the mortgagor or agreed to be given: The same duty as a conveyance (No.21 or 22, as the case may be) for a consideration equal to the amount secured by such deed.

- (b) When possession is not given or agreed to be given as aforesaid: The same duty as a Bottomry Bond (No.14) for the amount secured by such deed.

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(d) When executed in favour of commercial banks for securing loans

0.5 per cent for the amount secured subject to a maximum of rupees 20,000.

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48. Release that is to say, any instrument (not being such a release as is provided by Section 24), whereby a person renounces a claim upon another person or against any specified property,—

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(b) in any other case

The same duty as a conveyance (No.21 or 22 as the case may be) for such amount or value of the property or claim or fair value of the land and the values of other properties of which the right is relinquished in proportion to the right relinquished or consideration for the release, whichever is higher.

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EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA
COURT FEES AND SUITS VALUATION ACT, 1959
(10 OF 1960)

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SCHEDULE I
AD VALOREM FEES

<i>Article</i>	<i>Particulars</i>	<i>Proper fee</i>
(1)	(2)	(3)

** ** ** **

SCHEDULE II

1. ****.
2. ****.
3. Memorandum of appeal from an order inclusive of an order determining any question under Section 47 or Section 144 of the Code of Civil Procedure, 1908, and not otherwise provided for when presented—

** ** ** **

(iii) To the High Court—

- (A) From an order other than an order under the Kerala Agriculturists Debt Relief Act, 1958

** ** ** **

- (C) From an order of the Appellate Tribunal under the Income Tax Act, 1961,—

- (a) Where the total income of the assessee as computed by the Five hundred rupees

Assessing Officer, in the case to which the appeal relates is one lakh rupees or less

- | | |
|---|---|
| (b) Where such income exceeds one lakh rupees but does not exceed two lakh rupees | One thousand and five hundred rupees |
| (c) Where such income exceeds two lakh rupees | Five per cent of the relief sought for |
| (d) Where the subject matter of an appeal relates to any matter, other than those specified in sub-clauses (a) to (c) above | Ten per cent of the relief sought for subject to a minimum of five hundred rupees |

(D) From an order of the Appellate Tribunal under the Wealth Tax Act, 1957,—

- | | |
|---|---------------------|
| (a) Where the total net wealth of the assessee as computed by the Assessing Officer, in the case to which the appeal relates is one lakh rupees or less | Five hundred rupees |
|---|---------------------|

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| (c) Where such net wealth exceeds two lakh rupees | Five per cent of the relief sought for |
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EXTRACT FROM THE KERALA LOCAL AUTHORITIES
ENTERTAINMENTS TAX ACT, 1961
(20 OF 1961)

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3. *General provision regarding the levy of tax and the rate of tax.*—Any local authority may levy a tax (hereinafter referred to as the entertainments tax) at a rate not less than twenty four per cent and not more than forty eight per cent on each price for admission to any entertainment:

Provided that the rate thus fixed shall not be lower than the sum of the entertainment tax levied under this section and additional tax on entertainment levied under the Kerala Additional Tax on Entertainment and Surcharge on Show Tax Act, 1963 (22 of 1963) prevailing in the area prior to the date of commencement of the Kerala Decentralisation of Powers Act, 2000.

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

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CHAPTER III

INCIDENCE AND LEVY OF TAX

5. *Levy of tax on sale of goods.*—(1) Every dealer (other than a casual trader or agent of a non-residential dealer or the Central Government, or Government of Kerala or the Government of any other State or of any Union Territory, or any local authority) whose total turnover for a year is not less than two lakh rupees and every casual trader or agent of a non-resident dealer, the Central Government, the Government of Kerala, the Government of any other State or of any Union Territory or any local authority whatever be its total turnover for the year, shall pay tax on his taxable turnover for that year in respect of goods included in the Schedule at the rate mentioned against such goods.—

(a) In respect of petroleum products falling under Sl. No. 1 of the Schedule, at the point of sale in the State by an oil company liable to tax under this section, except where the sale is by an oil company to another oil company and at the point of first sale in the State by a dealer liable to tax under this section when the sale is not by an oil company.

(b) in respect of Foreign liquor, at the point of sale by the Kerala State Beverages (Manufacturing and Marketing) Corporation Limited and at the point of first sale in the State by a dealer liable to tax under the section except where the sale is to the Kerala State Beverages (Manufacturing and Marketing) Corporation Limited.

(c) in respect of other goods included in the Schedule, at the point of first sale in the State by a dealer liable to tax under this section.

Explanation:— For the purposes of this section, (a) "Oil Company" means Kochi Refineries Ltd., Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd., Indo-Burma Petroleum Company Ltd., Bharat Petroleum

Corporation Ltd. and includes such other company as the Government of Kerala may, by notification in the Gazette, specify in this behalf.

(b) "Foreign Liquor" means and includes wine, brandy, champagne, sherry, rum, gin whisky, beer, cidar, cocoa brandy and all other distilled or spirituous preparations but shall not include medicines and drugs covered by the Kerala Value Added Tax Act, 2003 (30 of 2004).

(2) (i) Notwithstanding anything contained in sub-section (1), every dealer in Foreign Liquor, as specified hereunder, shall pay turnover tax on the turnover of foreign liquor at all points of sale in the State, after making such deductions as may be prescribed, namely:—

(a) by a bar attached hotel, at the rate of ten per cent; and

(b) by others at the rate of five per cent, on the turnover at all points of sale.

Explanation I : Any distillery, brewery, winery or other manufactory established under section 14 of the Abkari Act 1 of 1077, shall be liable to pay turnover tax on the turnover including any duty of excise leviable on such liquor at the hands of such person, whether such duty is paid by such person or any subsequent dealer as per the provisions of section 18 of the said Act.

Explanation II : For the removal of doubt it is hereby clarified that any distillery in the State which sell liquor manufactured by it within the State to the Kerala State Beverages (Manufacturing and Marketing) Corporation shall be liable to pay turnover tax on the turnover of sale of liquor by it to the said Corporation and the turnover for the purpose of this sub-section shall include any duty of excise leviable on such liquor at the hands of such manufacturer whether such duty is paid by the manufacturer or by the said Corporation.

Explanation III : For the purpose of this sub-section bar attached hotel shall mean a hotel, restorent, club or any other place which is licensed under the Foreign Liquor Rules, to serve foreign liquor specified under clause (b) of Explanation to sub-section (1).

(ii) Notwithstanding anything contained in sub-section (1) of section 22, no dealer shall collect from his purchaser the turnover tax payable by him under this sub-section.

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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 municipal 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:

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23B. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or in any judgment, decree or order of any Court, Tribunal or Appellate Authority, an assessee who is in arrears of tax or any other amount due under this Act or the Central Sales Tax Act, 1956 (Central Act 74 of 1956) relating to the period ending on 31st March, 2005, may opt for settling the arrears by availing a complete reduction of the interest on the tax amount and for the amount of penalty and interest thereon:

Provided that nothing in this section shall apply to a public sector undertaking under the control of Government of India.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 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 dealers which will then the binding on the revenue authorities and such dealers shall not be liable for payment of any collection charges.

(3) A dealer who wishes to opt for payment of arrears under sub-section(1) shall make an application to the assessing authority in the prescribed form before 30th June, 2018.

(4) On receipt of an application under sub-section (3), the assessing authority shall verify the same and intimate the amount due to the assessee and thereupon the assessee shall remit the amount in lump sum or in three equal instalments on or before 31st December, 2018.

(5) If the dealer commits any default in payment of the instalments, the reduction granted under sub-section (1) is liable to be revoked.

(6) No action under sub-section (5) shall be taken without giving notice to the dealer.

(7) Notwithstanding anything contained in any order, decree or judgment of any court, tribunal or appellate authority, if an assessee opts to settle his arrears as per this section,—

(i) he shall withdraw all cases pending before any court, tribunal or appellate authority relating to the arrears under option; and

(ii) if an order, decree or judgment is passed by any court, tribunal or appellate authority relating to the arrears already settled under option, giving reduction in liability with regard to such arrears, no refund shall be allowed with respect to such arrears covered under such order, decree or judgment; and

(iii) no appeal shall lie in any court, tribunal or appellate authority, with respect to the amount settled under this section.

(8) if a dealer is continuing business even after the commencement of the Kerala Value Added Tax Act, 2003 (30 of 2004) he shall get himself registered thereunder before filing option for payment of arrears under sub-section (1).

(9) If the dealer had filed option in 2016-17 but failed to remit the entire amount as per this section, the amount paid under the earlier option shall be treated as amount paid under the new option.

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SCHEDULE
[Section 5(1)]

Goods in respect of which tax is leviable under section 5

Sl No.	Sub-entry	Description of Goods	Rate of Tax (per cent)
1		Petroleum Products	
	(i)	Aviation Turbine Fuel	34
	(ii)	High Speed Diesel Oil	40
	(iii)	Motor Spirit (Commonly known as Petrol)	50

2

Foreign Liquor

(i)	Bottled Wine, imported from outside the Country and has suffered duty under the Customs Act, 1962	25
(ii)	Bottled Foreign liquor other than wine, imported from outside the country and has suffered duty under the Customs Act, 1962	78
(iii)	Beer not covered under sub-entry (ii) above	100
(iv)	Wine not covered under sub-entry (i) above	70
(v)	Foreign liquor not covered under sub-entries (i) (ii), (iii) and (iv) above	
	(a) for which purchase value incurred is above Rupees 400 per case	210
	(b) for which purchase value incurred is upto Rupees 400 per case	200

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

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5A. *Charge of luxury tax.*—(1) Notwithstanding anything contained in this Act, there shall be charged a luxury tax of four thousand rupees, annually on all residential buildings having a plinth area of 278.7 square metres or more and completed on or after the 1st day of April, 1999.

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THE SCHEDULE

[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
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

(1)	(2)	(3)	(4)
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
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

(1)	(2)	(3)	(4)
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.

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

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25. Surcharge on tax.—The amount of the tax leviable under sub-section (1) of Section 3 shall in the case of any motor vehicle, referred to in sub-item (ii) 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.

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ANNEXURE I

ONE TIME TAX

[See proviso to section 3(1)]

<i>Sl. No.</i>	<i>Class of Vehicle</i>	<i>Rate of one time tax</i>
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 Tri cycles 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	8% 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 lakh.	10% 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.	20% of the purchase value of the vehicle."
3	Three wheelers (including tri cycles 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 vehicle for personal use (Non Transport Vehicles) having purchase value up to rupees five lakh.	6% of the purchase value of the vehicle.
5	Motor Cars and Private Service vehicle for personal use (Non Transport Vehicles) having purchase value more than rupees five lakhs and up to rupees ten lakhs.	8% of the purchase value of the vehicle.
6	Motor Cars and Private Service vehicle for personal use (Non Transport Vehicles) having purchase value more than rupees ten lakhs and up to rupees fifteen lakhs.	10% of the purchase value of the vehicle.
7.	Motor Cars and Private Service Vehicles for Personal Use. (Non Transport Vehicles) having purchase value of more than rupees fifteen lakh and up to rupees twenty lakh.	15% of the purchase value of the vehicle.
7A.	Motor Cars and Private Service Vehicles for Personal Use (Non Transport Vehicles) having purchase value of more than rupees twenty lakh.	20% of the purchase value of the vehicle";

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

(15 OF 1991)

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37C. *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, an 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, 2011, may opt for settling the arrears on payment of the principal amount of tax in arrears and thirty per cent of the penalty amount by availing a complete reduction of the interest on the tax 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 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 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 application to the assessing authority on or before 30th June, 2018.

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

(7) On receipt of an application 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 assessee shall remit the amount in equal monthly instalments on or before 31st December, 2018:

Provided that an assessee who opts to settle his arrears under sub-section (1) has remitted any amount relating to the arrears for obtaining a stay voluntarily or by way of an order or decree or judgement passed by any court or tribunal or appellate authority and if the case is pending before such authority, the amount so paid shall be treated as that paid under this option.

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

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EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA VALUE ADDED TAX ACT, 2003

(30 OF 2004)

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4. *Appellate Tribunal.*—(1) The Government shall appoint an Appellate Tribunal consisting of a Chairman and as many other members as they think fit and such additional Appellate Tribunals, as they think fit, with such members to perform the functions assigned to the Appellate Tribunal by or under this Act.

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(4) The functions of the Appellate Tribunal may be performed,—

(i) by a Bench consisting of the Chairman and any other member; or

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

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25A. *Assessment of Tax based on Audit Objections.*—Notwithstanding anything contained in this Act, where an objection has been raised by the Comptroller and Auditor General of India in respect of an assessment or reassessment made or scrutiny of any return filed under this Act, and if the assessing authority is satisfied that such objection is lawful, the assessing authority shall proceed to re-assess the dealer or dealers with respect to whose assessment or re-assessment or scrutiny as the case may be, the objection has been made:

Provided that no order under this section shall be passed without giving the dealer an opportunity of being heard.

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25E. *Special provision for assessment and payment of tax for presumptive dealers.*—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgement, decree or order of any court, tribunal or appellate or revisional authority or any assessment order or penalty order issued under this Act, the dealers who have opted to pay tax under sub-section (5) of section 6 and with regard to whom unaccounted purchases have been detected by the assessing authority for the period up to 31st March, 2017, may opt to settle their cases by paying tax at,—

- (i) half per cent of the turnover of taxable goods, if the total turnover determined is, within the total turnover limit specified under sub-section (5) of section 6;
- (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 and up to rupees one crore, in addition to the tax due under clause (i) above;

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(2) For settling the cases under sub-section (1), the dealer shall file option before the assessing authority on or before 30th June, 2018, along with the evidence regarding withdrawal of cases, if any, pending before any court, tribunal or appellate or revisional authority.

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(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 30th September, 2018 in equal monthly instalments.

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31A. *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 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 31st March, 2011, may opt for settling the arrears on payment of the principal amount of the tax in arrears and thirty per cent of the penalty amount by availing a complete reduction of the interest on the tax 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 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 application to the assessing authority on or before 30th June, 2018.

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

(7) On receipt of an application 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 equal monthly instalments on or before 30th September, 2018:

Provided that an assessee who opts to settle his arrears under sub-section (1) has remitted any amount relating to the arrears for obtaining a stay voluntarily or by way of an order or decree or judgment passed by any court or tribunal or appellate authority and, if the case is pending before such authority, the amount so paid shall be treated as that paid under this option.

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

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“31B. *Waiver of certain arrears and penalty.*—Notwithstanding anything contained in this Act, the interest accrued under sub-sections (5) and (6) of section 31 of this 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 this Act, imposed on non-payment or short payment of tax due or assessed under sub-section (2) of section 8 of the said Act on the inter-state sale of arecanut shall be waived subject to the following conditions:

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(b) dealers who receives assessment orders after 30th April, 2018 shall file the option within a month from the date on which the assessment orders are received on or before 31st March, 2019, whichever is earlier:

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42. *Audit of accounts and certification of returns.*—(1) Every dealer whose total turnover in a year exceeds rupees Sixty lakhs shall get his accounts audited annually by a Chartered Accountant or Cost Accountant and shall submit copy of the audited statement of accounts and certificate, in the manner prescribed.

(2) Where any dealer detects any omission or mistake in the annual return submitted by him with reference to the audited figures, he shall file revised annual return rectifying the mistake or omission along with the audit certificate. Where as a result of such revision, the tax liability increases, the revised return shall be accompanied by proof of payment of such tax, interest due thereon under sub-section (5) of section 31, and penal interest, calculated at twice the rate specified under sub-section (5) of section 31:

Provided that this sub-section shall not apply to a dealer against whom any penal action is initiated in respect of such omission or mistake under any of the provisions of this Act.

Provided further that those dealers who have filed audited statement of accounts and certificates under sub-section (1) will be allowed to revise the returns for the period up to June, 2017, in respect of defects of a technical or clerical in nature, having no effect on the sales turnover already conceded or the tax paid. Such dealers may apply for revision of their returns before the assessing authority on or before 30th June, 2018.

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