Regn.No. KERBIL/2012/45073
dated 05-09-2012 with RNI
Reg No.Kl/TV(N)/634/2018-20

കേരള ഗസറ്റ്
KERALA GAZETTE
അസാധാരണം
EXTRAORDINARY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്
PUBLISHED BY AUTHORITY

വാല്യം 8
Vol. VIII

തിരുവനന്തപുരം, ശനി
Thiruvananthapuram, Saturday

2019 ജൂലൈ 20
20th July 2019
1194 കർക്കടകം 4
4th Karkadakam 1194
1941 ആഷാഢം 29
29th Ashadha 1941

നമ്പർ
No. 1659

GOVERNMENT OF KERALA
Law (Legislation -A) Department

NOTIFICATION

No. 2711/Leg.A2/2019/Law. *Dated, Thiruvananthapuram, **19th** July, 2019*
***3rd** Karkadakam, 1194*
***28th** Ashadha, 1941.*

The following Act of the Kerala State Legislature is hereby published for general information. The Bill as passed by the Legislative Assembly received the assent of the Governor on the 19th day of July, 2019.

By order of the Governor,

ARAVINTHA BABU. P. K.
Law Secretary.

ACT 5 OF 2019

THE KERALA FINANCE ACT, 2019

An act 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 be deemed to have 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 assessees which will then be binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

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

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

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

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

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

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

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

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

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

3. Amendment of Act 35 of 1958.- In the Kerala Money-Lenders Act, 1958 (35 of 1958), 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 authorize, 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 any 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 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 lakh	Rupees one thousand

(b)where the capital exceeds rupees ten lakh	Rupees one thousand plus rupees five hundred for every rupees five lakh or part thereof, exceeding rupees ten lakh capital amount, subject to a maximum of rupees ten lakh
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 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.".

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

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

(4) All arrears including 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 assesse shall furnish the proof of payments made in this regard:

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

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

(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-item (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 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, 1976 (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 percent 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 assessees which will then be binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

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

(4) All arrears including 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 assesse shall furnish the proof of payments made in this regard:

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

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

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

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

(4) All arrears including 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 assesse shall furnish the proof of payments made in this regard:

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

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

(5) in section 31B,-

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

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

(6) in section 42, in the second proviso, to sub-section (2), 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 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 the repealed Act, the demand relating to such penalty shall be settled under this section on payment of applicable tax relating to the penalty as determined by the assessing authority.

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue

recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assessees which will then be binding on the revenue authorities and such assessees shall not be liable for payment of any collection charges.

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

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

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

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

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

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

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

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

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

13. *Certain assessments pending under the Kerala Tax on Luxuries Act, 1976 deemed to be completed*.- (1) Notwithstanding anything contained in sub-section (1) of section 173 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Tax

on Luxuries Act, 1976 (32 of 1976) (hereinafter referred to as the repealed Act) and the rules made thereunder, if the total receipts as per the return filed by the proprietor under the repealed Act for a year is rupees five lakh or below, the assessment of such proprietor pending as on 1st April, 2019, shall be deemed to have been completed, subject to the condition that the proprietor had filed all returns as prescribed under the repealed Act and had paid tax accordingly:

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

(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 30th March, 2019 and published as S.R.O. No.256/2019 in the Kerala Gazette Extraordinary No.882 dated 30th 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 thereunder.

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.

PUBLISHED BY THE SUPERINTENDENT OF GOVERNMENT PRESS
AT THE GOVERNMENT CENTRAL PRESS, THIRUVANANTHAPURAM, 2019