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Subject: State GST Department - 'Amnesty Scheme 2024' - Comprehensive Tax Arrears Relief Scheme - Issuance of Guidelines - reg.

"Amnesty Scheme 2024" is a comprehensive arrear relief scheme announced by the State Government in the Budget 2024 . This scheme , implemented through the Finance Act, 2024, permits the trading community to settle the pending arrears under the Legacy Acts prior to the roll out of GST Act. To ensure the smooth implementation of the scheme the following guidelines are issued for the beneficiaries;

1. Tax liabilities up to ₹50,000 in a specified order shall be treated as settled without filing any application for the settlement of arrears.
2. As part of the scheme to settle the arrears, applicants are required to file application along with proof of payment of settlement amount made through e-treasury portal of the Government.
3. The scheme is applicable to those with arrears of tax, interest, penalty and surcharge under the Legacy Acts for the financial years up to 2017-18 including those involved in appeal proceedings under different authorities.
4. Tax arrears under the following Acts up to the financial year 2017-18 can be settled through this scheme.

- a. Kerala Value Added Tax Act, 2003 (KVAT Act, 2003)
 - b. Kerala General Sales Tax Act, 1963 (KGST Act,1963)
 - c. Kerala Surcharge on Taxes Act, 1957
 - d. Kerala Agricultural Income Tax Act, 1991 (AIT Act, 1991)
 - e. Kerala Tax on Luxuries Act, 1976 (KLT Act, 1976)
 - f. Central Sales Tax Act, 1956 (CST Act, 1956)
5. Arrears of tax determined under section 5 of the Kerala General Sales Tax Act, 1963 and arrears of compounding tax determined under section 7 of the said Act, with respect to the sale of foreign liquor, are not eligible for settlement under this scheme.
6. Arrears are divided into four slabs based on the tax amount involved in a specified order as detailed below. Interest and penalty in a specified order will be fully waived off for those who submit the application along with the proof of payment made through etreasury portal.

Slab	Amount of Tax Due (in Rs.)	Amount payable for settlement
1	Up to ₹50000.00	Completely waived off
2	Above ₹50,000.00 and up to ₹10 lakhs	Only 30% of the tax amount to be paid
3	Above 10 lakhs up to 1 crore (disputed tax)	Only 40% of the tax amount to be paid
	Above 10 Lakhs up to 1 Crore (admitted tax)	Only 50% of the tax amount to be paid
4	Arrears exceeding ₹1 Crore (disputed tax)	Only 70% of the tax amount to be paid
	Arrears exceeding ₹1 crore (admitted tax)	Only 80% of the tax amount to be paid

7. If any case is pending before any authority, the Tribunal or Court as on the date of commencement of the scheme, the amount of tax or surcharge involved in such case (specified order) shall be treated as 'Disputed Tax'.
8. The slabs are determined based on the amount of tax involved in

a specified order. For example, if an applicant has arrears of ₹13 lakhs, consisting of ₹8 lakh in tax, ₹3 lakhs in interest and ₹2 lakhs in penalty as per a specified order, the applicant falls under the second slab, which covers tax arrears ranging from ₹50,000 to ₹10 lakhs. To settle the arrears under this scheme, the applicant has to pay ₹2,40,000 (30% of the tax arrears) through the e-treasury portal and submit the application for settlement.

9. Any amount previously paid to the Government in relation to the specified order before the commencement of the scheme shall be deducted from the amount payable under the scheme and the balance amount if any, shall be paid through e-treasury portal. For example, if there is a liability of ₹8 lakh as tax and ₹3 lakh as interest under a specified order, and the applicant has already paid ₹1 lakh towards interest, the amount payable under the scheme will be ₹2,40,000 (30% of the tax arrears). The applicant can deduct the amount of ₹1 lakh already paid from the amount payable under the scheme and the balance to be paid by the applicant along with application to settle the arrears under the scheme will be ₹1,40,000 (One Lakh and Forty Thousand).
10. Applicants must submit online application through the amnesty portal , www.kitis.keralataxes.gov.in, after making payment.
11. All the payments under the scheme shall be made through the e-treasury portal "www.etreasury.kerala.gov.in" of the Department of Treasuries, Kerala. The respective 'Treasury Head of Account' shall be used for making payment of arrears in the various tax Acts involved in the scheme. The various Heads of Accounts are as follows:

HEAD OF ACCOUNT	Particulars
Kerala Value Added Tax Act, 2003 (KVAT Act, 2003)	
0040-00-111-99-01-00-00-N-V	Value Added Tax
0040-00-111-99-02-00-00-N-V	Presumptive Tax
0040-00-111-99-03-00-00-N-V	Compounded Tax

Kerala General Sales Tax Act, 1963 (KGST Act,1963)	
0040-00-102-99-00-00-00-N-V	Tax Collections
0040-00-102-98-00-00-00-N-V	Surcharge
Central Sales Tax Act, 1956 (CST Act, 1956)	
0040-00-101-99-00-00-00-N-V	Tax Collections
0040-00-101-98-00-00-00-N-V	Surcharge
Kerala Agricultural Income Tax Act, 1991 (Kerala AIT Act, 1991)	
0022-00-101-99-00-00-00-N-V	Agricultural Income Tax
0022-00-103-99-00-00-00-N-V	Surcharge
Kerala Tax On Luxuries.1976	
0045-00-105-99-00-00-00-N-V	Tax Collections

12. Applicants with pending cases before any authority, the Tribunal or Court as on the date of commencement of the scheme , who desires to settle the arrears under the scheme shall withdraw such cases and submit 'Leave to withdraw' certificate issued by the concerned authority along with the application. Otherwise application will be rejected.
13. Application must be accompanied by the following documents in 'pdf' format. In the absence of which such applications will be rejected.
 1. Assessment/penalty order or any other document indicating the arrears.
 2. E-Treasury Challan for the payment made under Amnesty Scheme
 3. Challans for any payments made prior to the scheme

4. Copies of orders of appellate/revisional authorities or the court on which modification of orders are pending .
 5. "Leave to withdraw" granted by the authorities concerned, in applicable cases.
14. Applicants awaiting modification of orders can file application without making payment as per Sub-section (3) of Section 9 of the Kerala Finance Act, 2024. However, to get the benefit of the scheme, the amount payable under the scheme shall be calculated and paid within 60 days of receipt of the said modified order.
 15. If the amount paid along with the application falls short, the designated authority, after verification, will issue a 'Demand Notice'. The short fall amount must be paid within 60 days of receipt the said notice. If the applicant fails to make such payment within the period mentioned above, the benefit available under the scheme will get reduced at the rate notified by the Government. In any case, the last date for completion of payment under this scheme will be 31st March, 2025.
 16. Separate application against each specified order must be submitted for settling the arrears. For example, suppose an applicant has a tax arrear of ₹5 lakhs and ₹8 lakhs pertaining to the year 2012-13 under two different orders and another ₹3 lakhs in an order pertaining to the year 2013-14. In this case, the applicant has to submit a total of three applications for the settlement of the arrears against these three orders.
 17. In cases, wherein any orders already issued are subject to re-assessment (on account of fresh assessment of remanded cases, modification and rectification) the amount payable in such cases shall be determined on the basis of the tax amount involved in the order issued after re-assessment. For example if an applicant has a tax arrear of ₹5 Lakh as per original assessment order for the financial year 2012-13 and the same has been reassessed to ₹4 lakhs, then the amount payable will be arrived based on the above mentioned ₹4 lakhs.
 18. If the amount payable under this scheme in respect of any specified order has already been paid as part of revenue recovery

proceedings or any other action, then such arrears shall be treated as settled *suo motu* and no separate application is required to be filed in such cases.

19. In case where the penalty levied are not utilized or not liable to be utilized for any best judgement assessment under the relevant Act, the tax relating to such penalty shall be deemed to be the arrears of tax and the amount payable under this scheme shall be calculated accordingly .
20. The full benefit of the scheme will be available only to those who join the scheme by filing application within 60 days of the commencement of the scheme. After this period, the waiver amount will get reduced according to the rates notified by the Government. However ,the last date to join the scheme is 31st December, 2024.
21. Upon approval of application by the Designated Authority , the applicant can download the settlement certificate from the amnesty portal . In cases where the settlement certificate is not received, the arrears cannot be considered as settled.
22. Any person aggrieved by an order passed under this scheme may file an appeal before the Joint Commissioner, Taxpayer Services of concerned tax district.
23. The Designated Authority have the power to cancel the settlement certificate within two years from the date of issue of the certificate, if it is found that the applicant has obtained the certificate by suppressing any material information or particulars or by furnishing any incorrect or false information or particulars in the application under this scheme.
24. Excess payments made against a specified order will not be adjusted against the any specified orders or refunded.
25. Settlement of arrears under this scheme shall not be permitted through the utilization of excess input tax credit available under any law.
26. If there is any shortfall in the amount paid under the scheme, the applicant will become ineligible for the benefit under the scheme, unless it is paid by 31st March, 2025. In such cases, the

amount so paid under the amnesty scheme will be appropriated against the relevant act and the revenue recovery proceedings shall be continued. In cases where the modification order is received as mentioned in paragraph 14, the last date for making payment under this scheme shall be within 120 days of receipt of the said modified order.

27. The trading community with arrears of tax or surcharge can utilize this opportunity for the settlement of the same. For more information and clarification visit the official website of the department www.keralataxes.gov.in or visit the Department's Arrears Recovery Office/Taxpayer Services Circle Office.

This is issued with the approval of the Commissioner

COMMISSIONER