



Office of the Commissioner

State Goods and Services Tax Department

Government of Kerala

No. SGST/667/2024-EID3

18-10-2024

Trade Circular No 4/2024

Sub: Kerala State Goods & Services Tax Department – Kerala Flood Cess-
Non-filing of returns - instructions issued - reg:

Ref: 1. Kerala Finance Act, 2019
2. Kerala Flood Cess Rules, 2019
3. Notification SRO No. 436/2019 dated 29/06/2019

1. The Kerala Flood Cess was introduced to meet the requirements for reconstruction and rehabilitation activities undertaken by the Government in response to the widespread devastation caused by the massive floods in the State of Kerala in August 2018. The Kerala Flood Cess was in effect for two years, starting from August 1, 2019, and was applicable to intra-state Business-to-Consumer (B2C) supplies of goods or services, or both. Additionally, supplies between taxpayers registered in Kerala, not in furtherance of business, are also subject to the levy of Kerala Flood Cess.
2. The rate of Kerala Flood Cess is set at 0.25% for the supply of goods subject to SGST of 1.5%, and at 1% for the supply of goods or services, or both, attracting SGST of more than 2.5%. Taxpayers registered in the state, under both Central and State jurisdiction, are liable to remit the Kerala Flood Cess.
3. However, it has been observed that even though the period for the levy of the Flood Cess expired on 31st July 2021, a number of taxpayers remain defaulted

on filing Kerala Flood Cess returns and consequently abstain from remitting the Cess amount. Non-filing of monthly returns and non-remittance or partial remittance of Kerala Flood Cess may attract penal actions, such as charging interest at the rate of 18% per annum on the amount due, along with a penalty equal to the amount payable. This may also lead to revenue recovery proceedings and other enforcement actions. In the circumstances the following instructions are issued;

- a. The Taxpayers who are liable to remit Kerala flood cess and not remitted shall file monthly Kerala Flood Cess Return in Form KFC-A through the link provided in the official website of the Kerala State GST Department, ie, "www.keralataxes.gov.in" and remit the cess amount along with interest @ 18%.
 - b. If taxpayers detect any short payment in the monthly returns already filed, they can remit the same along with interest while filling the annual return.
 - c. Payments if any in respect of assessment/adjudication shall be made through the e-treasury portal of Government of Kerala.
 - d. The details of outward supplies of goods or services or both, attracting Kerala Flood Cess, mentioned in the return should match with the corresponding details of outward supply of goods or services or both as per GSTR-1.
 - e. The Common Portal of GSTN and Form GST DRC 03 shall not be used at any stage for the remittance of Kerala Flood Cess.
4. Since the Kerala Flood Cess was introduced to mobilize funds for rebuilding Kerala after the 2018 floods, all taxpayers who have not filed Kerala Flood Cess returns or failed to pay the due amount are requested to comply with statutory provisions by filing the returns and making the necessary payments.



COMMISSIONER