



Office Of The Commissioner Of State Goods and Services Tax

Department, Tax Towers, Karamana, Thiruvananthapuram

SGST Policy Division

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Circular No17/2024-Kerala GST

1. Amnesty Scheme 2024 and the Rules made thereunder have come into force on 1st August 2024. It has come to notice that stake holders need clarification on appropriation of payments made towards unsettled amnesty cases during previous amnesty schemes.
2. In the circumstances and in exercise of the powers conferred by Section 22 of the KFA 2024, for the smooth implementation of the scheme and to have uniformity in the procedure followed, the following guidelines are issued.
3. As per the Circular No. 5/2022 dated 25.03.2022 issued in relation to the Amnesty scheme 2022, it has been instructed to appropriate the part payments made against unsettled amnesty cases of 2020-2021 towards the earliest arrears among all arrears of the dealer and the remaining amount if any to the arrears of subsequent years, as per the provisions of the relevant Act/Acts
4. In the amnesty scheme for the years 2021-2022 and 2022-2023, to settle the arrears under the scheme, the dealer had to opt amnesty for all the arrears under all the relevant Acts pertaining to a particular assessment year.
5. With regard to the part payments made towards the unsettled amnesty cases of the aforementioned years, apportionment of such payments shall be made towards the arrears of those orders in proportion to the tax demanded in those orders.
6. It shall be ensured that if the arrears pertaining to any of the previous years have already been settled on apportionment of the part payment made under the previous schemes or if any amount so paid has been

given credit towards the modified/fresh orders, such payments shall not be considered for settling the cases applied under the amnesty schemes 2024.

7. The designated authority may verify with the authorities of the concerned Taxpayer Services Circle/Division if any clarification/confirmation is required in this regard.

Illustration

A dealer X had an arrear of Rs 11.5 lakhs in four different orders during the period 2012-2013 as follows (Amount in rupees)

No	Year	Tax	Act	Interest	Penalty
1	2012-2013	2,50,000	VAT	60,000	40,000
2	2012-2013	1,00,000	CST	30,000	0
3	2012-2013		VAT		3,00,000
4	2012-2013	1,00,000	LT	1,00,000	70,000
5	2012-2013	50000	LT	25000	25000

8. As per the provisions of previous schemes, dealers had the option to choose payments either in lump sum or in installments.
9. If they opt to make payment in installments, the total payment required to settle the arrears was 70% of the tax in arrears and for the first installment, , they had to pay 20% of the determined amount as the first installment, with the balance to be paid in 4 subsequent installment.
10. In the given example, the total payment required under the scheme was 3.50 lakhs (70% of 5 lakhs). Assume the dealer paid first installment of Rs 70,000 (20% of Rs 3.5 lakhs) and Rs 30,000 in the next installment.
11. Later, he abstained from subsequent payments and thereby got left out of the scheme. In such cases, the appropriation of these partial payments made shall be done in proportion to the tax amount demanded under those orders.
12. Appropriation of Rs. 1 lakh paid as part of the scheme in the above illustration shall be made towards the arrears of those orders in proportion to the tax amount in those orders,(in 5:2:2:1 ratio) as per the provisions of the relevant Act. i.e Rs.50,000 shall be apportioned towards the arrears of 1st order in the table, Rs.20,000 each towards the arrears of 2nd and 4th orders and Rs. 10,000 towards 5th order.

- *Assume the above dealer files an application under the amnesty scheme 2024 to settle the arrear tax of Rs. 2,50,000/- pertaining to the year 2012-2013 (Sl No 1 in the example)*
 - *The amount appropriated as part of the previous amnesty payment was Rs. 50,000. Then the amount to be paid under this amnesty scheme is rupees twenty five thousand (the amount of rupees fifty thousand already paid is deducted from the amount payable of rupees seventy five thousand (30% of Rs. 2.5 lakhs))*
13. In this manner, the payments apportioned against each orders are to be adjusted towards the amount payable if applications are received against such orders.
 14. In the above example, the appropriation of Rs. 10,000 is made towards the arrears in the order where arrears of tax is Rs.50000. As such arrears are settled suo-motu in the present amnesty scheme, it shall be ensured that these payments are not considered for settling arrears of other specified orders.
 15. If there were collection charges as part of Revenue Recovery proceedings, those collections charges shall not be appropriated towards tax payments.
 16. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the undersigned.


03/09/24.
COMMISSIONER