

GOVERNMENT OF KERALA
Taxes (B) Department

CIRCULAR

No. 15140/B1/2009/TD

Dated, Thiruvananthapuram, 22nd September 2009

It is noticed that certain awarders of works, including Government Departments/Local Bodies are remitting the Tax Deducted at Source (TDS), from the Works Contractors using the chalans in Form No. TR12 under improper heads and in the name of awarders themselves. In such circumstances, the Commercial Taxes Department cannot identify the works contractors and proper credits cannot be effected to the payments made. Moreover, it is noticed that neither the copies of such chalans nor the remittance details are forwarded to the assessing authorities concerned. As a result the amount goes unaccounted in the Commercial Taxes Department. This seriously hampers the tax administration of the Government.

Considering the above, it is hereby instructed that all Government Departments/ Local Bodies should make the TDS payments in the Kerala Value Added Tax Chalans in Form 8G, prescribed under the Kerala Value Added Tax Rules, 2005 and forward the same to the Commercial Tax Office/Assistant Commissioner In the VAT scenario, for every value addition at each selling point, tax has to be levied and credit has to be paid for the tax on the previous purchase point. The verification of the business transaction of all the registered dealers is transparent in electronic medium.

(Works Contract) concerned. They should also ensure that tax is remitted in the correct head of account (0040-00-110-99) and in the name of the contractor.

P. Mara Pandiyan,
Principal Secretary to Government