

No.C1-2444/05/Tx

Office of the Commissioner
Commercial Taxes
Thiruvananthapuram
Date: 16.11.05

CIRCULAR NO.27/2005

Sub:- Registration and completion of assessments under works
Contracts – certain directions – issued – reg.

Ref :- 1. Lr.No.C1-14876/91/Tx dt.17.02.92 of the Board of
Revenue (T)
2. Circular No.23/92 dt.13.07.92 of the erst while Board of
Revenue (T)
3. Circular No.16/03 dt.22.09.03 of the CCT
4. Circular No.18/03 dt.22.09.03 of the CCT
5. Section 15 of the KVAT Act, 2003 read with Rule 17 of the
KVAT Rule 2005

It has been brought to the notice of the Commissionerate that large number of assessments under works contract are pending to be finalized for one or other reasons which has resulted in pending collection of huge amount from the contractors to the state exchequer. It is also noticed that no uniform procedure is followed by the Sales Tax Offices (Work Contract) of this department in granting registration to the works contractors which give room for complaints from the contractors very often.

Detailed instructions were issued to the officers of this department from time to time regarding the principle and procedure to be adopted in completing the assessments under the above category vide letter and circulars under reference. But none of the assessing officers in Works Contract are following the above instructions. The implementation of Value Added Tax from 01.04.05 the matter has become much more worse. Section 15 of the Kerala Value Added Tax 2003 read with Rule 17 of the Kerala Value Added Tax Rules 2005 stipulates the procedure regarding the granting of registration to the dealers including works contractors. But it is felt that a uniform procedure, similar to the procedure in granting registration in other cases is also necessary so as to avoid room for complaints from the contractors' community and in the interest of revenue. Hence the following direction is issued.

1. All Commercial Taxes Officers (Works Contract) are directed to process the application for registration under the works contract as laid down in the section 15 of the Kerala Value Added Tax Act

2003 read with rule 17 of KVAT Rule 2005 and forward the same to the District Deputy Commissioners of the districts, having jurisdiction for his approval. The registration certificates under the said category will be issued only after getting approval from the Deputy Commissioners concerned.

The Deputy Commissioners shall bring the circular intimation to all officers concerned without fail and got acknowledged from them.

For COMMISSIONER