

**39. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL
TAXES
THIRUVANANTHAPURAM**

PRESENT SRI.PAUL ANTONY. I.A.S.

Sub:- KVAT Act 2003 – Clarification u/s 94 – Rate of tax on Tower Crane – Clarified orders issued – Reg.

Read:- 1) Application in Form No. 24 dated 25.01.2006 filed by Malayil Builders Pvt Ltd, EKM.

2) Hearing Notice No. C7-5089/06/CT Dated 07.02.06.

ORDER NO.C7-5089/06/CT Dated 24.03.2006.

M/s. Malayil Builders Pvt. Ltd., Kochi has applied for clarification under section 94 of the KVAT Act 03, on the rate of tax applicable to 'Tower Crane' under VAT.

The applicant has purchased a Tower Crane from M/d. IDEB Construction Projects (P) Ltd. Bangalore for Rs. 42,90,000/-. The applicant stated that Tower Crane is machinery used for construction of building for mechanical shifting of concrete, steel and other materials from ground level to high elevations.

The Authorised Representative of the applicant was heard. The contention of the applicant is that Tower Crane is an item of machinery that falls in 3rd schedule under Entry No.83(55)(g)(v) and taxable @ 4%.

The contentions of the applicant were analysed in detail. The items fall under entry 83 (55)(g)(v) of 3rd schedule to Kerala Value Added Tax Act 2003 taxable @ 4%. The HSN Code allotted to the Entry 83 (55)(g)(v) is 8479.89.30, whereas the HSN code allotted to "Tower Crane" as per Central Excise Tariff Act 1985 is 8426.20.00 which has not been listed in any of the schedules to the KVAT Act 2003, as amended by KVAT (Amendment) Act 2005.

Hence it is clarified that "Tower Crane" is taxable @ 12.5% under section 6(1) (d) of the KVAT Act 2003.

Sd/
Commissioner.