

PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES, KERALA
THIRUVANANTHAPURAM.

PRESENT : SUMAN BILLA, I.A.S

Sub: KGST Act, 1963 - Clarification U/s 59A - Rate of Monthly Turnover Tax against Total Sale of Liquor - Orders Issued.

Read: Application from Secretary, The Exclusive Club, Kozhikode dated 8/2/2011.

ORDER No.C3/1547/11/CT DATED 18/3/2011.

1. Secretary, The Exclusive Club, Kozhikode has preferred an application U/s 59A of the KGST Act, 1963 seeking clarification on the rate of Turnover Tax against total sales of foreign liquor by a club.

2. Turnover tax is paid as per Section 5(2)(i) of the Kerala General Sales Tax Act, 1963, as amended by the Kerala Finance Act, 2005 states that a bar attached hotel shall pay turnover tax at the rate of ten per cent on the turnover of foreign liquor at all points of sale. As per Explanation III to sub-section 5(2)(i), 'bar attached hotel' shall mean a hotel, restaurant, club or any other place, which is licensed under the Foreign Liquor Rules, to serve foreign liquor.

3. The statutory position is explicit in this regard, and hence a club will have to pay Turnover tax at the rate of ten per cent on the turnover of foreign liquor as per section 5(2)(i) of the Kerala General Sales Tax Act, 1963.

The issue raised above is clarified accordingly.

COMMISSIONER

To,

The Secretary,
The Exclusive Club,
O.P. Raman Road,
P.O. Civil Station,
Kozhikode - 673 020.