

THE KERALA VALUE ADDED TAX CIRCULAR, 2005 - CIRCULARS & CLARIFICATIONS

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Body

Circular No. 5/2022, No. CT/1349/2022-C1, Dated 25th March, 2022

Sub: Amnesty scheme-2022 - instructions issued -

Reg: Ref: Kerala Finance Bill, 2022.

The Government has decided to continue the Amnesty Scheme introduced in 2020 for this year also. This scheme permits to settle arrears under the following statutes.

Kerala Surcharges Act

Central Sales Tax Act,

Kerala General Sales Tax Act.

Kerala Agriculture Income Tax Act,

Tax on Luxuries Act,

Kerala Value Added Tax Act.

The last date to file an option to settle arrears under the scheme will be 31st August, 2022 and the last date to complete the payment of arrears under the scheme will be 31st December 2022. All the existing conditions of the Scheme will be continued.

Complete waiver of penalty and interest.

40% waiver of the balance tax arrears, if the outstanding dues are paid in lump-sum and 30% waiver of the balance tax arrears if the outstanding dues are paid in installments.

Amnesty scheme can be opted for all pending tax arrears (Except for those arrears under the KGST Act, from 2005 onwards).

In cases of arrears for the period from 01.04.2005 to 31.03.2022 falling under the Kerala General Sales Tax Act, the principal amount together with interest outstanding thereon shall be paid. There shall be a full waiver of penalty in such cases.

The assessee can opt to settle the arrears relating to a particular assessment year, subject to the condition that all arrears falling under the said assessment year are opted.

For those who opt for the payment of arrears in installments, the first installment thereof shall not be less than 20% of the amount determined and such amounts shall be paid within thirty days of the receipt of the intimation. The balance amounts are to be paid in installments, subject to a maximum of four installments.

In the case of demands that have been newly generated after 31st August 2022, the option shall be exercised within 30 days from the date of receipt of such order. However, in all such cases, the final payments shall be made on or before 31st December 2022.

Taxpayers who have failed to settle arrears under the previous amnesty scheme can also opt for this scheme.

Tax or interests, if any, paid after the service of demand notice and any amount paid under the earlier amnesty scheme shall be given due credit towards tax before reckoning the arrears to be settled under the Amnesty Scheme 2022.

The amount paid in part under Amnesty Scheme 2020 shall be appropriated towards the earliest arrears and the remaining amount, if any, to the subsequent years. In such cases, the credit of the part payment against unsettled Amnesty cases of 2020-2021 shall be given manually while processing the amnesty options of 2022 or shall give credit through Collection/Remission Module by uploading documentary evidence.

For those who have compounded offenses and paid tax under such proceedings, the tax thereon will be given credit towards tax before reckoning the arrears to be settled under the Amnesty Scheme 2022.

In the case of penalty levied is not utilized or not liable to be utilized for any best judgment assessment, the demand can be settled under this amnesty scheme on payment of applicable tax relating to the penalty.

In the case of arrears under the revenue recovery process, if the assessee opts for this amnesty scheme and settles the outstanding dues, the assessing authority shall withdraw the revenue recovery proceedings. In such cases, the assessee is not liable for payment of any collection charges. It is to be ensured that revenue recovery proceedings against the assessee is only withdrawn after full payment of the amount due under this amnesty scheme. In the case of assessee who opts for this scheme and make payments through installments and till the final payment is made, the revenue recovery process may be kept in abeyance in RR ONLINE portal.

Since the amnesty scheme provides for outright settlement of arrears, the assessee who opts for the scheme shall withdraw all the cases pending before any appellate or revisional authority, tribunal or courts unconditionally and shall file a declaration to this effect online. In the case of appeals filed by the State which is pending for final orders as on the date of the option, this scheme can be opted based on the demand in the original assessment order. Once the outstanding dues are settled under this scheme, there shall be no refund or adjustment subsequently for the amount settled under this scheme.

In the case of assessee having outstanding arrears, the year-wise details of arrear demand and amount if any paid can be viewed electronically by logging in to the official portal www.keralataxes.gov.in. The system will also display the amount to be payable under this amnesty scheme. In order to access the system, one-time 'user ID and password' shall be generated from the portal. If the assessee is willing to opt for the amnesty scheme, consent/option can be made electronically on or before 31st August 2022. Along with the willingness, the assessee who opts for the scheme shall withdraw all the cases pending before any appellate or revisional authority, tribunal, or courts and furnish a declaration in this regard.

electronically. The assessee shall specify whether payment under this scheme is made lump-sum or installments.

On receipt of the willingness of the assessee, within seven days the assessing authority shall verify and approve the option. After getting confirmation from the assessing authority, the amount payable under the amnesty scheme can be made through e-payment. The payment receipt can be downloaded from the e- payment portal and it can be kept as proof of settlement of dues under the amnesty scheme. No manual filing of options or payment is permissible.

In the case of any discrepancies noticed with respect to outstanding dues or payments made against it, the assessee can submit his representation in this regard electronically with proof of documents. On receipt of the representation, the assessing authority shall examine the case within two days and convey his remarks electronically to the assessee. Based on the remarks of the assessing authority, the assessee may proceed to make an e-payment.

In the case of assesses who opted payment under this scheme on instalments, failing to make any payment on the respective due date, such assessee shall be deemed to be skipped out of this scheme. The relief granted under the scheme shall be revoked by an order in writing by the assessing authority after giving such dealer an opportunity of being heard within fifteen days of the default. Revenue recovery steps should be continued against such defaulters immediately.

Assessment of tax and imposition of penalty by a single order will not preclude the assessee from availing of the relief declared under this scheme. While approving the option of electronically fixing the liability under this scheme care must be taken to see that all outstanding demands are included in the amnesty scheme and proper credit has been given to all remittances made by the assessees.

The Joint Commissioners shall constantly follow up the arrear cases and give wide publicity among the assessees to settle the arrears under this scheme. They should make arrangements to convene district-wise meetings with trade representatives and defaulters. District officers shall constitute separate teams of officials in this regard to personally in touch with the defaulter frequently.

Sd/-
COMMISSIONER

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