



ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ಬೆಂಗಳೂರು ರಾಜ್ಯ ಪತ್ರ

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| ಭಾಗ-I | ಬೆಂಗಳೂರು, ಗುರುವಾರ, ಫೆಬ್ರವರಿ ೨೧, ೨೦೧೯ (ಫಾಲ್ಗುಣ ೨, ಶಕ ವರ್ಷ ೧೯೪೦) | ನಂ. ೧೩೦ |
| Part-I | Bengaluru, Thursday, February 21, 2019 (Palguna 2, Shaka Varsha 1940) | No. 130 |

**PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA
FINANCE SECRETARIAT**

Sub: Comprehensive Karasamadhana Scheme, 2019 - reg

READ: Para No. 340 of the Budget Speech of the Hon'ble Chief Minister and Finance Minister for the year 2019-20 made on 8th February 2019.

PREAMBLE:

The Hon'ble Chief Minister and Finance Minister in his Budget Speech for the year 2019-20 made on 8th February 2019 has announced that a Comprehensive Karasamadhana Scheme will be introduced with a view to reduce the arrears arising out of the enactments administered by the Commercial Taxes Department which existed before the introduction of Goods and Services Tax (GST) Act. Accordingly, a Scheme for waiver of penalty and interest under the provisions of the following Acts is required to be formulated.

- The Karnataka Sales Tax Act, 1957,
- The Karnataka Value Added Tax Act, 2003,
- The Central Sales Tax Act, 1956,
- The Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976,
- The Karnataka Tax on Luxuries Act, 1979,
- The Karnataka Agricultural Income Tax Act, 1957 and
- The Karnataka Entertainment Tax Act, 1958.

Hence, the Government is pleased to pass the following order.

**GOVERNMENT ORDER NO. FD 9 CSL 2019,
BENGALURU, DATED 21st FEBRUARY, 2019**

The Government hereby accords approval to the Scheme called Comprehensive Karasamadhana Scheme, 2019. Features of the scheme are as follows:

1. It grants waiver of 100% of arrears of penalty and interest payable by a dealer under the Karnataka Sales Tax Act, 1957 (hereinafter referred to as the KST Act) and Central Sales Tax Act, 1956 (hereinafter referred to as the CST Act) relating to the assessment / re-assessment years upto 31-03-2005, already completed and as the case may be, to be completed on or before 30th June 2019 under the KST regime.

2. It grants waiver of 100% of arrears of penalty and interest payable by a dealer under the Karnataka Value Added Tax Act, 2003 (hereinafter referred to as the KVAT Act) and CST Act relating to the assessments / re-assessments already completed and to be completed on or before 30th June 2019.

3. It grants waiver of

- a. penalty levied under Section 72(1)(a) or 72(1)(b) for failure to furnish return under the KVAT Act and consequential interest subject to the condition that admitted tax as per the return is paid in full.
- b. penalty levied under Section 74(4) for failure to submit copy of the audited statement of accounts in FORM VAT 240 under the KVAT Act and consequential interest subject to the condition that admitted tax liability, if any, as per FORM VAT 240 is paid in full.

4. It grants waiver of 100% of arrears of penalty and interest payable by a dealer or person or proprietor as the case may be relating to the assessment or reassessment already concluded and to be concluded upto 30th June 2019 under following Acts also, namely.-

- a. Karnataka Tax on Entry of Goods Act, 1979, (hereinafter referred to as KTEG Act);
- b. Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, (hereinafter referred to as KTPTC&E Act);
- c. Karnataka Tax on Luxuries Act, 1979 (hereinafter referred to as KTL Act);
- d. Karnataka Agricultural Income Tax Act, 1957 (hereinafter referred to as KAIT Act); and
- e. Karnataka Entertainments Tax Act, 1958, (hereinafter referred to as KET Act).

5. Conditions: Grant of waiver of penalty and interest is subject to the following conditions:

5.1 Any dealer or person or proprietor as the case may be, who makes full payment of arrears of tax on or before 30-09-2019 shall be granted waiver of 100% of arrears of penalty and interest payable. However, any penalty levied by the Registering Authority under section 10-A of the CST Act shall not be eligible for benefit of waiver under this Scheme.

5.2 Where the dealer has no arrears of tax but has arrears of penalty and interest only, relating to the assessments or re-assessments already completed and to be completed, as the case may be, on or before 30th June 2019, such arrears of penalty and interest shall be eligible for waiver.

5.3 Where a dealer has filed an appeal or any application against the order or proceedings relating to arrears of tax and arrears of penalty and interest before any Appellate Authority or Court and disposal of such application is still pending, the dealer shall withdraw such appeal or other application before availing the benefit of waiver of arrears of penalty and interest under this Scheme. The dealer shall file a declaration in support of withdrawal of appeal or other application in Annexure-II along with application for waiver of arrears of penalty and interest in Annexure-I appended to this Order. Such application and declaration shall be filed for each year separately.

5.4 After the appeal or other application is withdrawn, the amount of arrears of penalty and interest shall be considered for waiver under the Scheme. Any amount of penalty and interest paid at the time of filing an appeal or other application shall be eligible for adjustment towards arrears of tax outstanding for the assessment year for which the benefit of waiver is claimed. However, the dealer shall not be eligible for refund of any amount that may become excess as a result of such adjustment under this Scheme.

5.5 In respect of cases where any Appeal or other application is not filed, the dealer shall not be eligible for refund of any penalty or interest already paid, either in full or partially, under this Scheme.

5.6 The dealer shall not file an appeal or other application before any Appellate Authority or Court or shall not seek rectification of orders/proceedings, after filing application for availing the benefits of this Scheme or after availing the benefits of this Scheme, for whatever reasons.

5.7 The dealer shall not be eligible to avail the benefits of this Scheme in relation to an order giving rise to arrears of tax, penalty and interest where:

- a. State has filed an appeal before the Karnataka Appellate Tribunal or the Central Sales Tax Appellate Authority; or
- b. State has filed an appeal or revision or any kind of application before the High Court or the Supreme Court; or
- c. any competent authority has initiated suo motu revision proceedings as on the date of this Government Order; or
- d. any rectification is made after 30-06-2019.

6. Procedure.-

6.1 Procedure for this Scheme is as follow.-

a) The dealer opting for this Scheme shall submit separate application in the format Annexure-I appended to this order under the KST and CST Acts for each year relating to the assessment years upto 31.3.2005 electronically through the website <http://ctax.kar.nic.in> or <http://gst.kar.nic.in> on or before 30.09.2019 in the manner as specified in the website. Duly signed copy of the said application downloaded shall be submitted to the concerned Assessing Authority/ Recovery Officer as prescribed.

b) The dealer opting for this Scheme shall submit separate application in the format Annexure-IA appended to this order under KVAT Act and CST Acts relating to each assessment/reassessment order relating to the tax periods for the years commencing from 01.04.2005 which have been already completed and to be completed upto 30.06.2019, electronically through the website <http://ctax.kar.nic.in> or <http://gst.kar.nic.in> on or before **30.09.2019** in the manner as specified in the website. Duly signed copy of the said application downloaded shall be submitted to the concerned Assessing Authority/Prescribed Authority/ Recovery Officer as prescribed.

c) The dealer or person or proprietor as the case may be, opting for this Scheme shall submit separate application in the format Annexure-IB appended to this order under the KTEG Act/KTPTC&E Act/KTL Act/KAIT Act for each assessment year relating to the assessment years already completed and to be completed upto **30.06.2019** electronically through the website <http://ctax.kar.nic.in> or <http://gst.kar.nic.in> on or before **30.09.2019** in the manner as specified in the website. Duly signed copy of the said application downloaded shall be submitted to the concerned Assessing Authority/ Recovery Officer/Prescribed Authority as prescribed.

d) The proprietor opting for this Scheme shall submit separate application in the format Annexure-IC appended to this order under the KET Act for each week or month as applicable relating to the assessment/reassessment for the years already completed and to be completed upto 30.06.2019 electronically through the website <http://ctax.kar.nic.in> or <http://gst.kar.nic.in> on or before **30.09.2019** in the manner as specified in the website. Duly signed copy of the said application downloaded shall be submitted to the concerned Assessing Authority/ Recovery Officer as prescribed.

e) The dealer opting for this Scheme shall submit separate application in Format Annexure-1D appended to this order under KVAT Act relating to penalty levied under Section 72(1)(a) / 72(1)(b)/ 74(4) relating to the tax periods for the years commencing from 01-04-2005 to 30-06-2017, electronically through the web site <http://ctax.kar.nic.in> or <http://gst.kar.nic.in> on or before **30.09.2019** in the manner as specified in the website. Duly signed copy of the said application downloaded shall be submitted to the prescribed authority.

6.2 The concerned Assessing Authority/Recovery Officer/Prescribed Authority shall scrutinize the application and work out the actual arrears of tax, penalty and interest payable by the dealer or person or proprietor as the case may be upto the date of filing of application and if any discrepancies are found in the amount of 'arrears of tax' and 'arrears of penalty and interest' payable upto the date of application as declared by the dealer or person or proprietor in his application, then the concerned Assessing Authority/Recovery Officer/Prescribed Authority shall inform the dealer or person or proprietor within 15 days from the date of filing of application about the discrepancies.

6.3 After receipt of information from the Assessing Authority/Recovery Officer/Prescribed Authority, the dealer or person or proprietor, as the case may be, at his option may pay the balance amount of tax to avail of the benefits of this Scheme. All payments should be made within fifteen days from the date of receipt of information or on or before 15-10-2019 whichever is earlier in cases where information received is from Assessing authority/Recovery Officer/Prescribed Authority. The applicant shall become ineligible to avail this Scheme if any partial amount is still outstanding as arrears on the specified date.

6.4 The dealer or person or proprietor, as the case may be, shall file a declaration in support of withdrawal of appeal or other application as per Annexure-II along with application for waiver of 'arrears of penalty and interest'. Such declaration shall be filed separately under relevant Act for each year relating to 'arrears of penalty and interest'.

If the dealer or person or proprietor, as the case may be, fails to do so, the Assessing Authority/ Recovery Officer / Prescribed Authority shall pass a speaking order rejecting the application.

