

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Karasamadhana Scheme, 2010 – reg.
Ref: Para No.323 of the Budget Speech for the year
2010-11

PREAMBLE:

The Hon'ble Chief Minister and Finance Minister in his Budget Speech for the year 2010-11 has announced a Karasamadhana Scheme aiming at reducing the arrears of tax and other amounts due under the KST Act, 1957 and the CST Act, 1956. Hence, the Government is pleased to pass the following order:

G.O. No. FD 109 CSL 2010, dated: 01.06.2010.

The Government hereby accords approval to the scheme called Karasamadhana Scheme-2010. It grants partial waiver of arrears of penalty and interest payable by a dealer under the KST and the CST Acts relating to the assessment periods upto 31.3.2005 subject to certain conditions and procedure. The features, conditions and procedure of the scheme are as mentioned below:

1. Definitions:

For the purposes of this scheme,

- 1.1. 'arrears of tax' means tax assessed / re-assessed (including by way of deemed assessment) as per the provisions of the KST /CST Acts relating to the assessment periods upto 31.3.2005 and remaining unpaid as on 05.3.2010; and
- 1.2. 'arrears of penalty and interest' means all kinds of penalties levied and all kinds of interest accrued under the various provisions of the KST and CST Acts relating to the assessment periods upto 31.3.2005 and remaining unpaid as on 05.3.2010. This shall also include all kinds of penalties leviable for the said period and interest accrued till the date of application filed by the dealer under the Scheme.

2. The Scheme:

- 2.1. Any dealer who makes full payment of arrears of tax on or before 31.8.2010 shall be granted part-waiver in 'arrears of penalty and interest'.
- 2.2. The part-waiver mentioned in clause (2.1) above shall be to the extent of 90% of 'arrears of penalty and interest' put together. That is to say, apart from

payment of the 'arrears of tax', the dealer shall have to pay 10% of the 'arrears of penalty and interest' put together on or before 31.8.2010. If he does so, the balance of 'arrears of penalty and interest' shall be waived.

- 2.3. If the dealer has no 'arrears of tax', but only 'arrears of penalty and interest', in such cases, if the dealer pays 10% of 'arrears of penalty and interest' put together on or before 31.8.2010, the balance 'arrears of penalty and interest' shall be waived.
- 2.4. If the dealer has filed appeal or other applications against the order or proceedings relating to 'arrears of tax' and 'arrears of penalty and interest' before any appellate authority or Court and if disposal of such applications is still pending, then the dealer shall withdraw the appeal or other applications before availing the benefit of waiver of arrears of penalty and interest under this Scheme. If appeal or other application is withdrawn, the quantum of arrears of tax / penalty and interest for purposes of this scheme shall be considered as per the order against which appeal or other applications had been filed which are since withdrawn to avail of the benefits of the Karasamadhana Scheme, 2010;
- 2.5. The dealer shall not file appeal or other applications before any appellate authority or Court after filing application for availing of the benefits of this scheme;
- 2.6. The dealer shall not be eligible to avail of the benefits of this scheme if, in relation to the order giving rise to arrears of tax / penalty and interest:
 - (a) State has filed appeal before the Karnataka Appellate Tribunal; or
 - (b) State has filed appeal or revision or any kind of application before the High Court or the Supreme Court ; or
 - (c) Any officer of the Commercial Taxes Department has initiated suo-motu revision or re-assessment proceedings as on 5.3.2010.

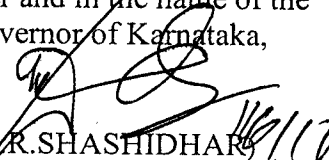
3.Procedure:

- 3.1. The dealer opting for this scheme shall submit an application in the format (Annexure-I) appended to this order to the concerned assessing authority / recovery officer on or before 31.7.2010 under the KST and CST Acts separately for each assessment year.
- 3.2. The concerned assessing authority / recovery officer shall scrutinize the applications and work out the actual arrears of tax, penalty and interest payable by the dealer up to 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 up to the date of application as declared by the dealer in his application, then the concerned assessing authority / recovery officer shall inform the dealer within 15 days from the date of filing of application about the discrepancies.
- 3.3. After receipt of information from the assessing authority / recovery officer, the dealer at his option may pay the balance amount of tax as in clause 2.1 and 'arrears of penalty and interest' as in clauses 2.2 / 2.3 so as to avail of the benefits of this scheme. All payments should be made on or before 31.8.2010. Before making the payment, the dealer 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 the KST and CST Acts for each assessment year relating to 'arrears of penalty and interest'.
- 3.4. If the dealer fails to do so, the authority / officer shall pass a speaking order rejecting the application.
- 3.5. On satisfaction that the applicant dealer is eligible for the benefits of the scheme, the assessing authority / recovery officer shall pass the order waiving the balance amount of arrears of penalty and interest payable by the dealer as per Annexure – III separately under the KST and CST Acts for each assessment year.
- 3.6. The order of waiver shall be passed within 30 days from the date of making payment as specified in para 3.3.

- 3.7. The order of waiver shall be served on the dealer within ten days from the date of such order.
- 3.8. The assessing authority / recovery officer shall help the dealer in correct quantification of the amount of interest and penalty.

4. Removal of difficulties:

If any difficulty arises in implementation of this order the Commissioner of Commercial Taxes may issue such instructions as are necessary or expedient for removing such difficulty.

By order and in the name of the
Governor of Karnataka,

(D.R. SHASHIDHAR)
Under Secretary to Government,
Finance Department (C.T-1).

Copy communicated to:

- 1) The Commissioner of Commercial Taxes, Gandhinagar, Bangalore-9.
- 2) The Accountant General (Accounts)/(Audit) Karnataka, Bangalore.
- 3) The Secretary, Karnataka Legislature Secretariat, Bangalore.
- 4) The Secretary, Department of Parliamentary Affairs and Legislation, Bangalore.
- 5) The Deputy Secretary, Cabinet, -with reference to subject No. C 231/2010.
- 6) The Compiler, Karnataka Gazette, Bangalore for publication in the Extraordinary Gazette dated: 01.06.2010 and supply 100 copies to the Finance Department (C.T.1) and 1000 copies to the Commissioner of Commercial Taxes, Gandhinagar, Bangalore.

ANNEXURE – I

(Govt order No. FD 109 CSL 2010, dated: 01.06.2010)

APPLICATION FOR WAIVER OF ARREARS OF PENALTY AND INTEREST UNDER KARASAMADHANA SCHEME – 2010

1. Name and address of the assessee :

2. Name of the office in which registered :

3. Registration certificate Number under the KST Act :

4. (a) Assessment year :
- (b) Date of assessment / re-assessment order :
- (c) Date of penalty order :

5. (a) (i) Arrears of tax as on 5.3.2010 : Rs.....
- (ii) Details of payment of arrears of tax as prescribed in this G.O. :
- (b) Arrears of penalty due (including penalty leviable) as on the date of filing of application : Rs.....
- (c)(i) Arrears of interest due as on the date of filing of application : Rs.....
- (ii) Details of payment of penalty and interest as per this G.O. :

6. Date of withdrawal of the appeal or other application, if any :

DECLARATION

I, do hereby solemnly declare that to the best of my knowledge and belief the information furnished in the above application is true and complete.

Date:.....

Place:.....

Signature

Name and status of the person signing,
Name and full address of the business.

- Note:
1. Application to be filed separately for each assessment year and for the KST and CST Acts.
 2. Copies of the relevant assessment / re-assessment order and penalty order and proof of withdrawal of appeal or any other proceeding to be enclosed.
 3. Strike out whichever is not applicable.

ANNEXURE – II

(Govt order No. FD 109 CSL 2010, dated: 01.06.2010)

DECLARATION

I, Sri / Smt/ Ms/ do hereby solemnly declare that I am / we are a dealer registered under the Karnataka Sales Tax Act, 1957 with R.C. No..... borne on the files of the office of the I have withdrawn the appeal / other application filed against the assessment / re-assessment or other proceedings concluded for the year under the KST Act / CST Act which was pending before (specify the authority) to avail of the benefit of the Karasamadhana Scheme, 2010 offered by the Government of Karnataka vide Order No..... dated on I enclose the documentary proof for the withdrawal of the appeal or other application.

Date:
Place:

Signature
Name and status of the person signing,
Name and full address of the business.

ANNEXURE – III
(Govt. order No FD 109 CSL 2010, dated: 01.06.2010)

ORDER OF WAIVER

The application and declaration are verified and the assessee is found eligible for waiver of the arrears of penalty and interest for the assessment year under Act in terms of Government Order No..... dated and the same is accordingly ordered to be waived.

Penalty and interest waived : Rs.....

The details are as under:-

| | |
|--|---------|
| Name and address of the assessee | |
| Registration Certificate No. under the Karnataka Sales Tax Act | |
| Date of payment of arrears of tax in full | |
| Amount of arrears of penalty due | Rs..... |
| Amount of arrears of interest due | Rs..... |
| Amount of arrears of penalty and interest paid as per the G.O. with percentage as at clauses 2.2. / 2.3 therein. | Rs..... |
| Balance of arrears of penalty and interest waived | Rs..... |

Date:
Place:

Signature, Name and Designation of
the authority.