

Fifteenth Kerala Legislative Assembly

Bill No. 193

THE KERALA FINANCE BILL, 2024

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BILL

to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2024-2025.

Preamble.— WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2024-2025;

BE it enacted in the Seventy-fifth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title.—This Act may be called the Kerala Finance Act, 2024.

CHAPTER II

REVISION OF TAXES

2. Amendment of Act 17 of 1959.—In the Kerala Stamp Act, 1959 (17 of 1959),—

(1) in section 28A, for clause (1B), the following clause shall be substituted, namely:—

“(1B) Notwithstanding anything contained in this Act or the rules made thereunder, the Government may, by notification published in the Official Gazette, make an increase of a fixed percentage in the fair value of land fixed as per sub-section (1) or revised fair value under sub-section (1A) from time to time and the value so increased shall be deemed to be the fair value of the land.”;

(2) in the schedule,—

(a) in serial number 16, in column (2), for the words “or other Revenue Officer”, the words and symbol “, other Revenue Officer or a Civil Officer” shall be substituted;

(b) for serial number 33 and the entries against it in columns (1), (2) and (3) and explanation thereto, the following serial number, entries and explanation shall respectively be substituted, namely:—

“33. Lease – including an underlease or sub-lease and any agreement to let or sub-let—

Where such lease purports to be—

- | | |
|---|---|
| (a) for a term less than one year : | Rupees 500 |
| (b) for a term not less than one year but not more than 5 years : | Same duty as a conveyance (No. 21 or 22, as the case may be) on ten percentage of the value of the property subject to a minimum of Rupees 500. |
| (c) for a term exceeding 5 years but not exceeding 10 years : | Same duty as a conveyance (No. 21 or 22, as the case may be) on twenty percentage of the value of the property subject to a minimum of Rupees 1000. |
| (d) for a term exceeding 10 years but not exceeding 20 years : | Same duty as a conveyance (No. 21 or 22, as the case may be) on fifty percentage of the value of the property subject to a minimum of Rupees 2000. |

- (e) for a term exceeding 20 years but not exceeding 30 years: Same duty as a conveyance (No. 21 or 22, as the case may be) on seventy five percentage of the value of the property.
- (f) for a term exceeding 30 years or not for any definite term: Same duty as a conveyance (No. 21 or 22, as the case may be) on ninety percentage of the value of the property.

Explanation I:—For the purpose of this serial number, “the value of the property” means for land where the fair value has been fixed under section 28A, such fair value, and for leases where no fair value has taken fixed for the land or for leases of Government land, the market value declared in the lease deed.

Explanation II:—Any consideration in the form of premium or money advanced or to be advanced by whatever name called shall be added to the fair value for the assessment of stamp duty.

Explanation III:—If a lease relates to only one item of property and that property is a building, or if an instrument relates to more than one item of property and one or more such item is or are building or buildings, the whole rental amount payable or deliverable under such lease, and/or any consideration in the form of premium or money advanced or to be advanced, or the proportionate fair value of the land in which the building is situated, whichever is higher, shall deemed to be the value of the property.

Explanation IV:—The renewal period, if specifically mentioned, shall be treated as part of the present lease.”;

(c) in serial number 43,—

(i) for item B, the following item shall be substituted, namely:—

“B. Instrument of Reconstitution of Partnership that is to say, where on of the property subject to a minimum reconstitution of the partnership any immovable property is taken as his share by a partner other than a partner who brought in that property as his share of contribution in partnership Eight percent on the fair value of rupees One Thousand”;

(ii) after item B so substituted the following item shall be inserted, namely:—

“C. Dissolution of partnership deed—

(a) where on a dissolution of the partnership any immovable property is taken as his share by a partner other than a partner who brought in that property as his share of contribution in the partnership Eight percent on the fair value of the property subject to a minimum of rupees One Thousand

(b) in any other case One thousand rupees”;

(d) in serial number 44, in item (g), for entries in column (2), the following entry shall be substituted, namely:—

"when giving authority or power to a promoter or a developer, by whatsoever name called, to make construction on or development of, (in any manner whatsoever) any immovable property situated in Kerala and not being a power of attorney authorising sale or transfer of immovable property in any manner”.

3. *Amendment of Act 10 of 1960.*—In the Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960), in schedule II, after article 19 and the entries against it in columns (2) and (3), the following articles and entries shall be added in column (1), (2) and (3) respectively, namely:—

“20.(a) Petition or counter claim presented to family court under explanation (c) of sub-section (1) of section 7 of the Family Courts Act, 1984 (Central Act 66 of 1984)—

When the amount or value of the subject matter in dispute—

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|-------|---|---|
| (i) | does not exceed one lakh rupees | Two hundred rupees |
| (ii) | exceeds one lakh rupees upto five lakh rupees | Half percent of the claim amount |
| (iii) | above five lakh rupees | One percent of the claim amount, subject to a maximum of rupees two lakhs |

(b) Memorandum of appeal filed before the High Court under section 19 of the Family Courts Act, 1984 (Central Act 66 of 1984) against an order on a petition or counter claim falling under clause (a)—

When the amount or value of the subject matter in dispute—

- | | | |
|-------|---|---|
| (i) | does not exceed one lakh rupees | Two hundred rupees |
| (ii) | exceeds one lakh rupees upto five lakh rupees | Half percent of the claim amount |
| (iii) | above five lakh rupees | One percent of the claim amount, subject to a maximum of rupees two lakhs |

Exemption.—While calculating value of the subject matter, value of the dwelling house shall be exempted.

21. (a) Application or petition containing complaint or charge of an offence under section 138 of Negotiable Instruments Act, 1881 (Central Act 26 of 1881)

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|------|---|--|
| (i) | if the amount of dishonoured cheque involved in the complaint does not exceed ten thousand rupees | Two hundred and fifty rupees |
| (ii) | if the amount of dishonoured cheque involved in the complaint exceeds ten thousand rupees | Five percent of the entire cheque amount subject to a maximum of three lakh rupees |

(b) Memorandum of appeal under section 138 of Negotiable Instruments Act, 1881 (Central Act 26 of 1881)

- | | | |
|------|---|--|
| (i) | where the appeal filed by the accused before the Sessions Court | One thousand rupees |
| (ii) | where the appeal filed by the complainant before the High Court | An amount equivalent to one half of court fees paid in the trial court |

(c) Revision petition presented to the High Court—

- | | | |
|------|--|--|
| (i) | filed by the complainant challenging insufficiency of sentence | One tenth of the cheque amount |
| (ii) | filed by the accused against conviction | One thousand and five hundred rupees”. |

4. *Amendment of Act 23 of 1963.*—In the Kerala Electricity Duty Act, 1963 (23 of 1963),—

(i) in sub-section (1) of section 3, for the figure and words “6 Naya Paise”, the figure and word “10 paise” shall be substituted;

(ii) in the schedule, in item no.5, in column (3), for the figure and symbol “1.2”, the figure “15” shall be substituted.

5. *Amendment of Act 19 of 1976.*—In the Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976),—

(1) in clause (b) of sub-section (5) of section 3, for the second proviso, the following proviso shall be substituted, namely:—

“Provided further that in the case of vehicles covered with permit under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) and registered in any State other than the State of Kerala and entered the State of Kerala and staying there in, the tax payable for such vehicle shall be,—

(i) if such stay does not exceeds seven days, one tenth of the quarterly tax for one round trip; and

(ii) if such stay exceeds seven days but does not exceed thirty days, one third of the quarterly tax for one round trip; and

(iii) in the cases of continuous operation in the State, quarterly tax”.

(2) in the schedule, in serial number 7, in item (i),—

(i) in sub-item (e),—

(a) in entry (i), in column (3), for the figure “2250”, the figure “1500” shall be substituted;

(b) in entry (ii), in column (3), for the figure “3000”, the figure “2000” shall be substituted;

(c) in entry (iii), in column (3), for the figure “4000”, the figure “3000” shall be substituted;

(ii) in sub-item (f), for the words, symbol and brackets “sub-sections (8) and (9)”, the words, symbol and brackets “sub-section (8)” shall be substituted.

CHAPTER III AMNESTY SCHEME, 2024

6. *Definitions.*—(1) In this Chapter, unless the context otherwise requires,—

(a) "admitted tax" means the arrears of tax or surcharge payable as per the returns, books of accounts, tax or surcharge assessed by the assessing authority under the relevant Act but does not include disputed tax or disputed surcharge:

Provided that in the case where the evidence, details and records pertaining to the penalty levied under the relevant Act are not utilized or not liable to be utilized for any best judgment assessment under the relevant Act, the tax or surcharge demand relating to such penalty shall be deemed to be the admitted tax but does not include disputed tax or disputed surcharge;

(b) "amount payable" means the amount payable by an applicant for settling the arrears of tax, surcharge, interest or penalty under the provisions of the scheme;

(c) "amount waived" means the amount that is not required to be paid by an applicant, and has been forgone from being arrears of tax, surcharge, interest or penalty by the Government as a part of settling the arrears of tax, interest surcharge or penalty under the provisions of the scheme;

(d) "applicant" means a dealer or any person who is liable to pay tax, surcharge, penalty or interest under the relevant Act;

(e) (i) "arrears of tax or surcharge" means the tax or surcharge payable by an applicant under the relevant Act in a specified order, pertaining to the assessment years up to 2017-2018, for which assessment or reassessment has been made under the relevant Act and pending collection on the date of filing of the application under the scheme;

(ii) “arrears of interest” means the interest payable by an applicant under the relevant Act in a specified order, pertaining to the assessment years up to 2017-2018, for which assessment or reassessment has been made under the relevant Act and pending collection on the date of filing of the application under the scheme;

(iii) “arrears of penalty” means the penalty payable by an applicant under the relevant Act in a specified order, pertaining to the assessment years up to 2017-2018, for which assessment or reassessment has been made under the relevant Act and pending collection on the date of filing of application under the scheme:

Provided that any amount on which stay has been granted by any authority, tribunal or court, as on the date of commencement of the scheme shall also be treated as an amount pending collection;

Explanation I:—For the purpose of the scheme, the term “reassessment” shall include the fresh assessment of remanded cases, modification of assessment orders and rectification of assessment orders under the relevant Act.

Explanation II:—The tax, surcharge, interest and penalty amount as per the demand notice shall be treated as the amount pending collection even if the applicant has made payment or deposit in part, if any, after the service of the demand notice.

Illustration I:

- *The showcause notice to an applicant was for an amount of tax/surcharge of Rs.1000 and an amount of penalty of Rs.100.*
- *The order was for an amount of tax/surcharge of Rs.1000 and an amount of penalty of Rs.100.*
- *The applicant files an appeal against this order.*
- *The arrears of tax or surcharge in this case is Rs.1000.*

Illustration II:

- *The showcause notice to an applicant was for an amount of tax/surcharge of Rs.1000 and an amount of penalty of Rs. 100.*

- *The order was for an amount of tax/surcharge of Rs. 900 and a penalty of Rs. 90.*
- *The applicant files an appeal against this order.*
- *The arrears of tax or surcharge in this case is Rs. 900.*

Illustration III.

- *The showcause notice to an applicant was for an amount of tax/surcharge of Rs. 1000 and an amount of penalty of Rs. 500.*
- *The order was for an amount of tax/surcharge of Rs. 1000 and a penalty of Rs. 500.*
- *After reassessment, the amount of tax/surcharge becomes Rs. 800 and the penalty becomes Rs. 300.*
- *A payment for an amount of Rs. 500 towards tax/surcharge and an amount of Rs. 200 towards penalty was made after reassessment.*
- *The arrears of tax or surcharge in this case is Rs. 800 and the arrears of penalty is Rs. 300.*

(f) "certificate of settlement" means a certificate issued under the scheme for settlement of arrears of tax, surcharge, interest or penalty in a specified order under the relevant Act;

(g) "Commissioner of State Tax" means the Commissioner of State Tax appointed clause (24) of section 2 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017);

(h) "designated authority" means an authority appointed under section 7 of this Act;

(i) "disputed tax" means the arrears of tax or surcharge against which appeal, revision or review is pending before any authority, tribunal or court, as on the date of commencement of the scheme:

Provided that in the case where the evidence, details and records pertaining to the penalty levied are not utilized or not liable to be utilized for any best

judgment assessment under the relevant Act, and against the imposition of such penalty, an appeal, revision or review is pending before any authority, tribunal or court, as on the date of commencement of the scheme, the tax or surcharge demand relating to such penalty shall be deemed to be the disputed tax or disputed surcharge;

(j) "Government" means the Government of Kerala;

(k) "interest accrued at the time of payment" means the amount of interest, which is not specified in the order, but has accrued in the intervening period between the date of order and the date of final settlement of the arrear;

(l) "notification" means notification published in the Official Gazette of the Government;

(m) "prescribed" means prescribed by rules made under this Act;

(n) "relevant Act" means,—

(i) the Kerala Surcharge on Taxes Act, 1957 (11 of 1957);

(ii) the Kerala General Sales Tax Act, 1963 (15 of 1963);

(iii) the repealed Kerala Tax on Luxuries Act, 1976 (32 of 1976);

(iv) the repealed Kerala Agricultural Income Tax Act, 1991 (15 of 1991);

(v) the repealed Kerala Value Added Tax Act, 2003 (30 of 2004);

(vi) the Central Sales Tax Act, 1956 (Central Act 74 of 1956);

(o) "scheme or amnesty scheme, 2024" means the scheme under this chapter;

(p) "specified order" means any order raising demand of tax, surcharge, interest or penalty under the relevant Act.

(2) Words and expressions not defined in this Chapter, but defined in the relevant Act, shall have the same meaning as assigned to them in those Acts.

7. *Designated authority.*—For carrying out the purposes of the scheme, the Commissioner of State Tax may, by an order, appoint one or more officers or a

committee of officers referred to in section 3 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) to be the designated authority and such authority shall exercise jurisdiction over such area or areas as the Commissioner of State Tax may specify:

Provided that in cases of difference of opinion among the members of the designated authority regarding any decision or order, the majority opinion shall prevail.

8. *Eligibility for settlement.*—(1) Subject to the other provisions of the scheme, an applicant is eligible to make an application for settlement of arrears of tax, surcharge, interest or penalty pertaining to the assessment years upto 2017-2018, against which an appeal, revision or review is not pending before any authority or tribunal under the relevant Act, or any court on the date of filing of application:

Provided that in cases where any appeal, revision or review, is pending before any authority or tribunal under the relevant Act or any court on the date of commencement of the scheme, application for settlement of arrears shall be made along with a copy of leave to withdraw granted by the authority or tribunal or court, as the case may be:

Provided further that in cases where any appeal filed by the Government is pending before any Appellate Authority, Appellate Tribunal under the relevant Act or any court as on the date of commencement of the scheme, the application referred to in sub-section (1) of section 5 shall be made treating the amount in the original specified order as the arrears of tax, surcharge, interest or penalty. The designated authority shall, on receipt of such application, seek for an adjournment of these cases to the Appellate Authority, Appellate Tribunal under the relevant Act or the court until the intimation regarding the disposal of such cases.

(2) Notwithstanding anything contained in the scheme, the provisions of the scheme shall not be applicable to any arrears of tax, interest or penalty payable by a dealer under the provisions of clause (b) of sub-section (1) and sub-section (2) of section 5 or section 7 of the Kerala General Sales Tax Act, 1963. (15 of 1963).

9. *Application for settlement.*—(1) An application for the purpose of section 8 shall be made to the designated authority within sixty days from the date of commencement of the scheme in such form and such manner as may prescribed, along with proof of payment of the amount at the rates specified in section 11.

(2) The time limit under sub-section (1) may be extended by a further period, not later than the 31st day of December, 2024 by paying an amount recalculating the amount recalculated as specified in sub-section (4) of section 11.

(3) In case where a decision or orders of the Appellate Authority, Revisional Authority or an Appellate Tribunal or judgment of a court causing modification of the specified orders is pending to be finalised, such applicant shall be eligible to apply under sub-section (1) without making any payment, and the amount payable in those cases shall be paid within sixty days from the date of service of such modified orders.

(4) A separate application shall be made for each specified order.

10. *Determination of the amount payable by the applicant.*—(1) The designated authority shall verify the correctness of the particulars furnished in the application made under section 9 with reference to all relevant records and determine the amount payable at the rates and in such manner, as specified in section 11 read with section 9.

(2) The designated authority shall demand the amount short paid by the applicant with reference to the amount in sub-sections (1), (2) and (3) of section 9 in such form and manner as may be prescribed.

(3) The demand under sub-section (2) shall be paid within sixty days of receipt of the form referred to in sub-section (2) by the applicant failing which the such short amount paid shall be recalculated by way of a reduction in the amount waived in such manner as may be notified by the Government.

(4) The amount determined under the provisions of this section shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee, and, if such part is fifty paise or more, it shall be rounded off to the nearest rupee, and if such part is less than fifty paise, it shall be ignored.

11. Rate applicable in determining the amount payable.—(1) The amount payable by the applicant and the amount waived shall be determined as follows:—

(a) where the arrears of tax or surcharge in a specified order is above rupees fifty thousand and up to rupees ten lakhs on the date of application for settlement under the scheme, the amount payable shall be thirty percentage of such arrears of tax or surcharge, and on payment of the amount payable by the applicant, the remaining arrears of tax, surcharge, interest or penalty payable under that specified order shall be the amount waived;

(b) where the arrears of tax or surcharge in a specified order is above rupees ten lakh and upto rupees one crore on the date of application referred to in sub-section (1) of section 9,—

(i) the amount payable by the applicant for the settlement of the admitted tax shall be fifty percentage of the arrears of tax or surcharge, and on payment of such amount, the remaining arrears of tax, surcharge, interest or penalty payable under the relevant Act shall be the amount waived;

(ii) the amount payable by the applicant for the settlement of the disputed tax shall be forty percentage of the arrears of tax or surcharge, and on payment of such amount, the remaining arrears of tax, surcharge, interest or penalty payable under the relevant Act shall be the amount waived;

(c) where the arrears of tax or surcharge in a specified order is above rupees one crore on the date of application under the scheme,—

(i) the amount payable by the applicant for the settlement of the admitted tax shall be eighty percentage of the arrears of tax or surcharge, and on payment of such amount, the remaining arrears of tax, surcharge, interest or penalty payable under the relevant Act shall be the amount waived;

(ii) the amount payable by the applicant for the settlement of the disputed tax shall be seventy percentage of the arrears of tax or surcharge, and on payment of such amount, the remaining arrears of tax, surcharge, interest or penalty payable under the relevant Act shall be the amount waived;

Provided that, in the case where the evidence, details and records pertaining to the penalty levied are not utilized or not liable to be utilized for any best judgment assessment under the relevant Act, the tax or surcharge demand relating to such penalty shall be deemed to be the arrears of tax or surcharge, and the amount payable shall be calculated accordingly.

(2) Notwithstanding anything contained in the scheme, if an applicant has remitted or deposited any amount towards the demand in the specified order, or if any amount or its equivalent has been recovered as part of arrear recovery towards the demand in the specified order, such amount already received by the Government shall be deducted from the amount payable, and the applicant shall, along with the application, furnish the proof of payments made in this regard:

Provided that any amount paid towards the penalty or interest shall be appropriated towards the amount payable.

(3) Notwithstanding anything contained in the relevant Act, interest accrued at the time of payment of amount payable under the scheme, shall also stand waived.

(4) The amount payable by an applicant for applying under the scheme under sub-section (2) of section 9 shall be calculated in such manner as may be notified by the Government.

12. *Total waiver of certain amounts.*—Notwithstanding anything contained in the relevant Act or the scheme, where on the date of commencement of the scheme, the arrears of tax or surcharge in a specified order is rupees fifty thousand or less, the entire amount of arrears of tax, surcharge, interest or penalty under that specified order shall be the amount waived:

Provided that, in the case where the evidence, details and records pertaining to the penalty levied are not utilized or not liable to be utilized for any best judgment assessment under the relevant Act and if the tax or surcharge relating to such penalty is rupees fifty thousand or less, such tax or surcharge shall be deemed to be the arrears of tax or surcharge for the purpose of this section.

13. *Restrictions.*—(1) Notwithstanding anything contained in the relevant Act, no arrears of tax, surcharge, interest or penalty payable under the scheme shall be,—

- (a) paid through the input tax credit available under any law;
- (b) adjusted against any excess amount; or
- (c) refunded

under any circumstances.

Illustration: A dealer has an arrear X of tax amounting to Rs. 2 lakhs for a year, and an arrear Y of tax amounting to Rs. 1 Lakh for another year. He has already paid Rs. 1.5 Lakhs towards arrear X, but has not paid any amount towards arrear Y. The amount payable to settle the arrear X under the scheme is Rs. 60,000. If the dealer applies for settlement under the scheme, the arrear X shall stand settled, but the amount in excess of Rs. 60,000 which is already paid by the dealer, i.e., Rs. 90,000 will not be eligible for consideration towards settling arrear Y.

14. *Settlement of arrears and issue of certificate.*—(1) The designated authority shall, on being satisfied with the payment of the amount determined under sub-section (1) of section 10, by an order, settle the arrears of tax, surcharge, interest or penalty and issue a certificate of settlement in such form and manner as may be prescribed, and thereupon, the applicant shall be discharged from his liability to make payment of such arrears of tax, surcharge, interest or penalty. A separate order and certificate of settlement shall be issued in respect of each application:

Provided that in cases where a certificate of settlement is issued and the appeal filed by the Government is pending before any authority, tribunal or court, the Government shall withdraw the appeal forthwith.

(2) The designated authority may, at any time within ninety days from the date of issue of the certificate and order under sub-section (1), modify the same by rectifying any error apparent on the face of the record:

Provided that no such rectification adversely affecting the applicant shall be made without giving the applicant a reasonable opportunity to showcause against such rectification.

(3) In cases where,—

(a) the arrears of tax or surcharge is rupees fifty thousand or less; or

(b) the amount payable under the scheme in relation to a specified order is less than the amount received by the Government by way of any remittance or deposit made by the applicant towards the demand in the specified order, or if any amount or its equivalent has been recovered as part of arrear recovery towards the demand in the specified order;

the designated authority shall suo motu issue a certificate of settlement under sub-section (1) even if the application referred to in sub-section (1) of section 9 is not submitted.

(4) In case the certificate is not issued under the scheme due to non-payment or short payment of amounts payable under the scheme, then any amount paid by the applicant as a part of the scheme shall be treated as a payment made towards the arrears in the specified order as per the provisions of the relevant Act.

15. Refusal of settlement of arrears.—The designated authority may, for reasons other than short payment of amounts as required under the scheme, refuse to settle the arrears of tax, surcharge, interest or penalty on receipt of the application referred to in section 9:

Provided that no order under this sub-section shall be passed without giving the applicant a reasonable opportunity to showcause against such refusal.

16. Appeal.—Any person aggrieved by an order passed under section 10, sub-section (2) of section 14 or section 15 may prefer an appeal to an officer not below the rank of Joint Commissioner of State Tax as the Commissioner may, by notification, specify in this behalf. The said officer shall dispose of the appeal, either by,—

(i) confirming the order of the designated authority; or

(ii) by allowing the appeal of the applicant; or

(iii) by modifying the order of the designated authority; or

(iv) set aside the order of the designated authority and direct the designated authority to pass a fresh settlement order, after further enquiry:

Provided that in case the appeal of the applicant is allowed or the order of the designated authority is modified by the appellate authority under this section, the designated authority shall issue the certificate of settlement subject to payment of the amount payable:

Provided further that the time limit for making payment after the issuance of such order of the appellate authority shall be the time limit as applicable for an order under sub-section (2) of section 10 as if the appellate order or the modified order as the case may be, is an order under sub-section (2) of section 10.

17. Revision.—(1) The Commissioner of State Tax may suo moto or upon information received by him, for reasons to be recorded in writing, at any time, within two years from the date of order, call for and examine any order passed under section 14 or section 16, to satisfy himself as to the correctness, legality or propriety of the order made or decision taken therein and if in any case, it appears to the Commissioner of State Tax that any such order or decision should be modified, annulled, reversed or remitted back for reconsideration, he may pass orders accordingly.

(2) No order prejudicial to any person shall be passed under sub-section (1) unless such person has been given an opportunity of making his representation.

18. Bar on revenue recovery proceedings.—Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968 (15 of 1968) waiver of arrears under section 11 and section 12 of the scheme shall be applicable to those cases in which revenue recovery proceedings have been initiated and the designated authorities shall have the power to collect such amounts towards amount payable and in cases where the designated authorities issued a certificate under section 14 or in cases where the arrears of tax, surcharge, interest or penalty are waived under section 12, the designated authority shall also withdraw the revenue recovery proceedings against such applicants which shall be binding on the revenue authorities, and such arrears shall not be liable for levy of any collection charges.

19. *Bar on re-opening of settled cases.*—A certificate of settlement issued under section 14 shall be conclusive as to the settlement of arrears to which it relates, and no matter covered by such certificate of settlement shall be reopened in any proceeding of appeal, revision or review or in any other proceeding under the relevant Act.

20. *Revocation of certificate.*—(1) Notwithstanding anything contained in section 19, where it appears to the designated authority that an applicant has obtained a certificate of settlement under sub-section (1) of section 14, by suppressing any material information or particulars or by furnishing any incorrect or false information or particulars, the designated authority, may, within a period of two years from the date of issue of the certificate, for reasons to be recorded in writing and after giving the applicant a reasonable opportunity of showing cause, revoke the certificate.

(2) In the case of revocation of a certificate under sub-section (1), the amount paid by the applicant along with the application made under section 9 shall be treated as payment towards the arrears under the relevant Act for the relevant assessment year.

21. *Information to be sent to authorities under the relevant Act.*—The designated authority shall inform the assessing authority, appellate authority, revisional authority or tribunal under the relevant Act or the Court, as the case may be, which, for the time being, has jurisdiction over the applicant under the relevant Act,—

(a) the fact of making of an application by the applicant under section 9;

(b) the fact of passing of any order by the designated authority under section 14;

(c) the fact of rectification of any error on the face of any certificate under sub-section (3) of section 14;

(d) the fact of revocation of any certificate under section 20; and

(e) such other matters as it may deem necessary in such form, in such manner and within such time, as may be prescribed.

22. *Power of Commissioner of State Tax.*—Subject to the provisions of the scheme, the Commissioner of State Tax may, from time to time, issue instructions and directions as he may deem fit for carrying out the purposes of the scheme.

23. *Prohibition of disclosure of particulars produced before designated authorities.*—(1) All particulars contained in the application, statement made, records or documents produced under the provisions of the scheme or in any evidence given or affidavit or deposition made, in the course of any proceeding under the scheme or in any proceeding for the purposes of the scheme shall be treated as confidential and shall not be disclosed.

(2) Nothing contained in sub-section (1) shall apply to the disclosure of any such particulars,—

(a) for the purpose of investigation of, or prosecution for, an offence under the scheme, or under the Indian Penal Code, 1860 (Central Act XLV of 1860) or under any other law for the time being in force; or

(b) to any person enforcing the provisions of the scheme where it is necessary to disclose the same to him for the purposes of the scheme; or

(c) the lawful employment under the scheme of any process for the recovery of any demand; or

(d) to a civil court in any suit to which the Government are party and which relates to any matter arising out of any proceeding under the scheme; or

(e) the lawful exercise by a public servant of his powers under the Kerala Stamp Act, 1959 (17 of 1959) to impound an insufficiently stamped document; or

(f) to an officer of, —

(i) the Government of India; or

(ii) the Government of any State or Union Territory in India with which an arrangement for disclosure on a reciprocal basis has been entered into by the Government; or

(g) to an officer of any department of the Government other than the Kerala State Goods and Services Tax Department, after obtaining the permission of the Commissioner of State Tax:

Provided that such particulars shall be furnished under this clause only in exceptional cases and that any officer obtaining such particulars shall keep them as confidential and use them only in the lawful exercise of the powers conferred by or under any enactment.

(3) Nothing herein contained shall prevent the publication of the certificate of settlement or order of refusal of settlement in the prescribed manner.

24. *Protection of action taken in good faith.*—(1) No suit, prosecution or other proceedings shall lie against any officer or servant of the Government for any act done or purporting to be done under the scheme, without the previous sanction of the Government.

(2) No officer or servant of the Government shall be liable in respect of any such act in any civil or criminal proceeding if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under the scheme.

25. *Power to remove difficulties.*—If any difficulty arises in giving effect to any of the provisions of the scheme, the Commissioner of State Tax may, by order, not inconsistent with the provisions of the scheme, remove such difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of the scheme.

26. *Power to make rules.*—(1) The Government may, by notification, either prospectively or retrospectively make rules to carryout the purposes of this Act.

(2) Every rule made under this Act shall be laid, as soon as may be after it is made, before the Legislative Assembly while it is in session for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, the Legislative Assembly makes any modification in the rule or decides that the rule should not be made, the rule shall, thereafter, have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**DECLARATION UNDER THE KERALA PROVISIONAL
COLLECTION OF REVENUES ACT, 1985
(10 OF 1985)**

It is hereby declared that it is expedient in the public interest that Chapter II of this Bill shall have effect on and from the 1st day of April, 2024, under the Kerala Provisional Collection of Revenues Act, 1985 (10 of 1985). Chapter III of the Bill shall have effect on such date as the Commissioner of State Tax may, by notification in the Official Gazette, appoint.

STATEMENT OF OBJECTS AND REASONS

The Bill seeks to amend the following enactments to give effect to the financial proposals of the Government of Kerala for the financial year 2024-25 as announced in part IV of the Budget Speech 2024-25, namely:—

1. The Kerala Stamp Act, 1959 (17 of 1959);
2. The Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960);
3. The Kerala Electricity Duty Act, 1963 (23 of 1963);
4. The Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976).

In addition to this, the system of levy of tax on Goods and Services has been introduced in a uniform manner throughout the country, including Kerala, from the 1st day of July, 2017. A large amount of tax, interest and penalty are pending under various enactments, namely, the Kerala Surcharge on Taxes Act, 1957 (11 of 1957), the Kerala General Sales Tax Act, 1963 (15 of 1963), the repealed Kerala Tax on Luxuries Act, 1976 (32 of 1976), the Kerala Agricultural Income Tax Act, 1991 (15 of 1991), the repealed Kerala Value Added Tax Act, 2003 (30 of 2004), and the Central Sales Tax Act, 1956 (Central Act 74 of 1956). The dealers were not able to pay the taxes levied as a result of assessments made under the best of judgement, and due to levy of consequential penalties and interest due thereon.

Though Amnesty Schemes were introduced in previous financial years to settling these arrears, but a substantial amounts are still outstanding. In view of demands from various stake holders government have decided to introduce a comprehensive amnesty scheme for this purpose.

The Bill seeks to achieve the above objects.

FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill seeks to empower the Commissioner of State Tax, by order, to appoint one or more officers or a Committee of officers to be the designated authority.

2) Sub-clause (1) of clause 9 of the Bill seeks to empower the Commissioner of State Tax to specify the time and date of taking the application for settlement and also empower the Government to prescribe the form and manner of filing the application.

3) Sub-clause (1) of clause 14 of the Bill seeks to empower the Government to prescribe the form and manner of the certificate of settlement.

4) Clause 16 of the Bill seeks to empower the Commissioner, by notification, to specify an officer as Appellate Authority.

5) Clause 21 of the Bill seeks to empower the Government to prescribe form, manner and time for furnishing the information to various authorities under the relevant Acts.

6) Sub-clause (2) of clause 25 of the Bill seeks to empower the Commissioner of State Tax to issue orders for the removal of difficulties.

7) Sub-clause (1) of clause 26 of the Bill seeks to empower the Government to make rules either prospectively or retrospectively for the purpose of carrying out the purposes of the Act.

8) The matters in respect to which rules may be made or notifications or orders may be issued are either, administrative in nature or matters of procedure and are of routine in nature. Further, the rules, after they are made, are subject to the scrutiny of the Legislative Assembly. The delegation of legislative powers is, thus, of a normal character.

K.N. BALAGOPAL

NOTES ON CLAUSES

Clause 1.—This clause seeks to provide for the short title of the proposed Act.

Clause 2.—This clause seeks to provide for the amendment of section 28A and schedule of the Kerala Stamp Act, 1959.

Clause 3.—This clause seeks to provide for the amendment of schedule II of the Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960).

Clause 4.—This clause seeks to provide for the amendment of section 3 and schedule of the Kerala Electricity Duty Act, 1963 (23 of 1963).

Clause 5.—This clause seeks to provide for the amendment of section 3 and Schedule of the Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976).

Clause 6.—This clause seeks to define various terms and expressions used in the proposed scheme.

Clause 7.—This clause seeks to provide for appointment of designated officers for the purpose of the proposed scheme.

Clause 8.—This clause seeks to provide for the conditions whereby the applicant becomes eligible to apply for the settlement of arrears.

Clause 9.—This clause seeks to provide for the procedure for filing of an application for the settlement of arrears.

Clause 10.—This clause seeks to provide for the general provisions for the determination of amount payable by the applicant.

Clause 11.—This clause seeks to provide for the rate applicable for the determination of amount payable by the applicant and the procedure of crediting the amount, if any, paid after the service of the demand notice.

Clause 12.—This clause seeks to provide for the procedure of waiver of certain amount if the arrear of tax or surcharge is rupees fifty thousand or less.

Clause 13.—This clause seeks to provide for certain restrictions for the payment or adjustment towards the amount payable and for the refund of the amount paid.

Clause 14.—This clause seeks to provide for the procedure for issuance or modification of the certificate of settlement of the arrear.

Clause 15.—This clause seeks to provide for the procedure for refusal of the settlement of arrear.

Clause 16.—This clause seeks to provide for manner of specifying the Appellate Authority and the appeal provision against the order of the designated authority.

Clause 17.—This clause seeks to provide for the powers of the commissioner for the revision of the orders passed by the designated authority or the Appellate Authority.

Clause 18.—This clause seeks to provide for the bar on revenue recovery proceedings in case of the amount settled under the proposed scheme.

Clause 19.—This clause seeks to provide for the bar on re-opening of settled cases.

Clause 20.—This clause seeks to provide for the conditions for the revocation of certificate in the cases already settled under the proposed scheme.

Clause 21.—This clause seeks to provide for the procedure for the information to be sent to the assessing authority, Appellate Authority, revisional authority or tribunal under the relevant Act or the Court, as the case may be, which, for the time being, has jurisdiction over the applicant under the relevant Act.

Clause 22.—This clause seeks to provide for the powers of the commissioner to issue instructions and directions as he may deem fit for carrying out the purposes of the scheme.

Clause 23.—This clause seeks to provide for the procedure for the permission or prohibition of disclosure of particulars produced before designated authorities.

Clause 24.—This clause seeks to provide for the protection of action taken in good faith.

Clause 25.—This clause seeks to provide for the power of the Commissioner to issue order to remove difficulties if any arises in giving effect to any of the provisions of the proposed scheme.

Clause 26.—This clause seeks to provide for the power of the Government to make rules.

EXTRACT FROM THE RELEVANT PORTIONS OF
THE KERALA STAMP ACT, 1959
(17 OF 1959)

** ** ** **

28A. *Fixation of fair value of land.*—(1) Every Revenue Divisional Officer shall, subject to such rules as may be made by the Government in this behalf, fix the fair value of the lands situate within the area of his jurisdiction, for the purpose of determining the duty chargeable at the time of registration of instruments involving lands.

** ** ** **

(1B) Notwithstanding anything contained in this Act or the Rules made thereunder, the Government may, by notification published in the Official Gazette, make an increase of a fixed percentage in the fair value of land fixed as per sub-section (1), from time to time, before revision is made under sub-section (1A) and the value so increased shall be deemed to be the fair value of the land.

** ** ** **

THE SCHEDULE

<i>Sl. No.</i>	<i>Description of Instrument</i>	<i>Proper Stamp Duty</i>
(1)	(2)	(3)
**	**	**
16	Certificate of sale (in respect of each property put up as a separate lot and sold) granted to the purchaser of any property sold by public auction by a Civil or Revenue Court or by the Government[Collector or other Revenue Officer	The same duty as on a conveyance (No.21 or 22, as the case may be) for a consideration equal to the amount of the purchase money only
**	**	**
**	**	**

33 **Lease**-including an underlease or sub-lease and any agreement to let or sub-let.-

(a) Where by such lease the rent is fixed and no premium is paid or delivered-

(i) Where the lease purports to be for a term of less than one year.-

The same duty as a Bottomry Bond (No.14) for the whole amount payable or deliverable under ssuch lease

(ii) Where the lease purports to be for a term of not less than one year but not more than 5 years

The same duty as a Bottomry Bond (No.14) for the amount or value of the average annual rent reserved

(iii) Where the lease purports to be for a term exceeding 5 years but not exceeding 10 years

The same duty as a conveyance (No.21 or 22 as the case may be) for a consideration equal to the amount or value of the average annual rent reserved.

(iv) Where the lease purports to be for a term exceeding 10 years but not exceeding 20 years

The same duty as a conveyance (No.21 or 22 as the case may be) for a consideration equal to twice the amount or value of the average annual rent reserved.

- (v) Where the lease purports to be for a term exceeding 20 years but not exceeding 30 years: The same duty as a conveyance (No.21 or 22 as the case may be) for a consideration equal to three times the amount or value of the average annual rent reserved.
- (vi) Where the lease purports to be for a term exceeding 30 years but not exceeding 100 years: The same duty as a conveyance (No.21 or 22 as the case may be) for a consideration equal to four times the amount or value of the average annual rent reserved.
- (vii) Where the lease purports to be for a term exceeding 100 years or in perpetuity: The same duty as a conveyance (No.21 or 22 as the case may be) for a consideration equal to one -six of the whole amount of rents which would be paid or delivered in respect of the first fifty years of the lease.
- (viii) Where the lease does not purports to be for any definite term: The same duty as a conveyance (No.21 or 22 as the case may be) for a consideration equal to three times the amount or value of the average annual

rent which would be paid or delivered for the first ten years if the lease continued so long The Kerala Stamp Act,1959.

(b) Where the lease is granted for a fine or premium or for money advanced and where no rent is reserved:

The same duty as a conveyance (No.21 or 22, as the case may be) for a consideration equal to the amount or value of such fine or premium or advance as set forth in the lease.

(c) Where the lease is granted for a fine or premium or for money advanced in addition to rent reserved:

The same duty as a conveyance (No.21 or 22, as the case may be) for a consideration equal to the amount of value of such fine or premium or advance as set forth in the lease in addition to the duty which would have been payable on such lease if no fine or premium or advance had been paid for delivered:

Provided that in any case where an

agreement to lease is stamped with *ad valorem* stamp required for a lease and a lease in purchase of such agreement is subsequently executed, the duty on such lease shall not exceed one rupee ninety five paise.

Explanation I:—When a lessee undertakes to pay any recurring charge, such as Government revenues, the landlord's share of cesses or the owner's share of Municipal; rates or taxes which is by law recoverable from the lessor, the amount so agreed to be paid by the lessee shall be deemed to be part of the rent.

Explanation II:—Rent paid in advance shall be deemed to premium or money advanced within the meaning of this serial number, unless it is specifically provided in the lease agreement that the rent paid in advance will be set off towards the last instalment or instalments of rent.

43. Partnership:—

- | | | |
|-----|---------------------------------|----------------------|
| (a) | Instrument of partnership deed | Five thousand rupees |
| (b) | Dissolution of partnership deed | One thousand rupees |

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44. Power of Attorney [as defined by Section 2(p), not being a proxy]

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| (a) | When executed for the sole purpose of procuring the registration of one or more documents in relation to a single transaction or for admitting execution of one or more such documents | Fifty rupees |
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| [(g) | When giving authority or power to a promoter or a developer, by whatsoever name called, to make construction on or development of, (in any manner whatsoever) any immovable property situated in Kerala and not being a power of attorney in clause (f) above. | The same duty as a conveyance (No.21 or 22, as the case may be) for the fair value of the land or for the amount of the consideration, which ever is higher, subject to a maximum of rupees one lakh] |
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EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA
COURT FEES AND SUIT VALUATION ACT, 1959
(10 OF 1960)

** ** ** **

SCHEDULE II

Article (1)	Particulars (2)	Proper fee (3)
**	**	**
19.	Application to arbitrator for adjudication of dispute under the Chit Funds Act, 1982 (Central Act 40 of 1982)	Two percent of the arbitration amount”.
**	**	**

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA
MOTOR VEHICLES TAXATION ACT, 1976 (19 OF 1976)

** ** ** **

3. Levy of tax.—(1) Subject to the other provisions of this Act, on and from the date of commencement of this Act, a tax shall be levied on every motor vehicle used or kept for use in the State, at the rate specified for such vehicle in the Schedule:

** ** ** **

(5) The tax payable for a temporary licence in respect of a motor vehicle shall be,—

(a) Where the temporary licence is for a period not exceeding seven days, at the rate of one-tenth of the quarterly tax on that motor vehicle; and

(b) Where the temporary licence is for a period exceeding seven days but not exceeding thirty days, at the rate of one-third of the quarterly tax on that motor vehicle.

** ** ** **

“ Provided further that in the case of vehicles covered with permit under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) and registered in any State other than in the State of Kerala and entering the State of Kerala and staying therein, the tax shall be payable from the date of entry till the end of the quarter at the rate specified for such vehicles in the Schedule.”.

** ** ** **

THE SCHEDULE

[See Section 3 (1)]

Sl. No.	Class of Vehicle	Rate of Quarterly Tax (in Rupees)
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7. Motor Vehicles plying for hire and used for transport of passengers and in respect of which permits have been issued under the Motor Vehicles Act, 1988.

(i) Vehicles permitted to ply solely as Contract Carriage and to carry

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“(c)	Vehicles registered in Kerala and operating Interstate after obtaining permit under Sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)	
	(i) Ordinary Contract Carriage permitted to carry more than 6 passengers—for every passenger	2250.00
	(ii) Contract Carriage with push back seats and permitted to carry more than 6 passengers—for every passenger.	3000.00
	(iii) Contact Carriage with sleeper berths and permitted to carry more than 6 passengers—for every passenger	4000.00

“(f)	Vehicles registered in other States and entering Kerala after obtaining permit under sub-sections (8) and (9) of Section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)	
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