

Fourteenth Kerala legislative Assembly

Bill No. 280

THE KERALA FINANCE BILL, 2021

Kerala Legislature Secretariat

2021

KERALA NIYAMASABHA PRINTING PRESS.

Published on 21-01-2021

Fourteenth Kerala Legislative Assembly

Bill No. 280

THE KERALA FINANCE BILL, 2021

THE KERALA FINANCE BILL, 2021

A

BILL

to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2021-2022.

Preamble.—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2021-2022.

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

1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance Act, 2021.

(2) It shall come into force on the 1st day of April, 2021.

2. *Amendment of Act 11 of 1957.*— In the Kerala Surcharge on Taxes Act, 1957 (11 of 1957), in section 3A,—

(1) in sub-section (1), —

(a) in clause (i), for the words “fifty per cent”, the words “seventy per cent” shall be substituted;

(b) in clause (ii), for the words “forty per cent”, the words “sixty per cent” shall be substituted;

(2) in sub-section (4) for the words "an assessee" the words "a year" shall be substituted;

(3) in sub-section (5),—

(a) for the words and figures "30th November, 2020", occurring at both the places, the words and figures "31st August, 2021" shall be substituted.

(b) for the words and figures "31st March, 2021", the words and figures "31st March, 2022" shall be substituted;

(4) in sub-section (7), for the words and figures "31st March, 2021", the words and figures "31st March, 2022" shall be substituted.

3. *Amendment of Act 10 of 1960.*—In the Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960), in section 76, to sub-section (1) the following proviso shall be inserted, namely:—

" Provided that in the case of appeals under the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) the maximum limit of additional court fee leviable shall not exceed rupees twenty thousand".

4. *Amendment of Act 15 of 1963.*— In the Kerala General Sales Tax Act, 1963 (15 of 1963),—

(1) in section 7, in the proviso, after the figure and symbol "2014-15", the word, figure and symbol " and 2015-16" shall be inserted.

(2) in sub-section (1) of section 7A,—

(i) in clause (i), after the figure and symbol "2014-15", the word, figure and symbol " and 2015-16" shall be inserted;

(ii) in clause (iii),—

(a) for the words and figures "31st March, 2020" occurring at both the places, the words and figures "31st December, 2020" shall be substituted;

(b) in sub-clause (a), for the words and figures "30th November, 2020", the words and figures "30th June, 2021" , shall be substituted;

(c) in sub-clause (d), for the words and figures " 31st March, 2021", the words and figures "31st July, 2021", shall be substituted.

(3) in section 23B,—

(1) in sub-section (1),—

(a) in clause (i),—

(i) in sub-clause (a), for the words " fifty per cent" , the words "seventy per cent" , shall be substituted;

(ii) in sub-clause (b), for the words " forty per cent" , the words "sixty per cent" shall be substituted;

(b) in clause (ii), for the words and figures " 31st March, 2020" , the words and figures " 31st March, 2021" , shall be substituted;

(2) in sub-section (4) for the words " an assessee" the words "a year" shall be substituted;

(3) in sub-section (5),—

(a) for the words and figures " 30th November, 2020" , occurring at both the places, the words and figures "31st August, 2021" , shall be substituted;

(b) for the words and figures "31st March, 2021" , the words and figures "31st March, 2022" shall be substituted;

(4) in sub-section (7), for the words and figures " 31st March, 2021" , the words and figures "31st March, 2022" shall be substituted.

5. *Amendment of Act 7 of 1975.*—In the Kerala Building Tax Act, 1975 (7 of 1975), in section 5, after sub-section (1) the following sub-section shall be inserted, namely:—

“(1A) in the case of green building as defined in clause (xviii) of section 2 of the Kerala Panchayat Raj Act, 1994 (13 of 1994) and clause (18a) of section 2 of the Kerala Municipality Act, 1994 (20 of 1994) the building tax shall be levied at the rate of fifty per cent of the rate of building tax as specified in Schedule 1”;

6. *Amendment of Act 15 of 1991.*—In the Kerala Agricultural Income Tax Act, 1991 (15 of 1991), in section 37C,—

(1) in sub-section (1), —

(a) in clause (i), for the words “ fifty per cent” , the words “ seventy per cent” , shall be substituted;

(b) in clause (ii), for the words “ forty per cent” , the words “ sixty per cent” , shall be substituted;

(2) in sub-section (4) for the words “ an assessee” the words “ a year” shall be substituted;

(3) in sub-section (5), —

(a) for the words and figures “ 30th November, 2020” , occurring at both the places, the words and figures “31st August, 2021” , shall be substituted;

(b) for the words and figures “ 31st March, 2021” , the words and figures “ 31st March, 2022” shall be substituted;

(4) in sub-section (7), for the words and figures “ 31st March, 2021” , the words and figures “ 31st March, 2022” shall be substituted.

7. *Amendment of Act 30 of 2004.*—In the Kerala Value Added Tax Act, 2003 (30 of 2004), in the SCHEDULES, in third Schedule, after serial number 98A and the entries against it in columns (2) and (3), the following serial numbers and entries shall, respectively, be inserted, namely:—

“ 98B	Liquified Natural gas	2711.11.00
98C	Natural gas in gaseous state	2711. 21. 00 ”

8. *Amendment of Act 5 of 2019.*— In the Kerala Finance Act, 2019 (5 of 2019), in section 12,—

(1) in sub-section (1),—

(a) in clause (i), for the words “ fifty per cent” , the words “ seventy per cent” shall be substituted;

(b) in clause (ii), for the words “ forty per cent” , the words “ sixty per cent” shall be substituted;

(2) in sub-section (4) for the words “ an assessee” the words “ a year” shall be substituted;

(3) in sub-section (5),—

(a) for the words and figures “ 30th November, 2020” , occurring at both the places, the words and figures “ 31st August, 2021” , shall be substituted;

(b) for the words and figures “ 31st March, 2021” , the words and figures “ 31st March, 2022” shall be substituted;

(4) in sub-section (7), for the words and figures “ 31st March, 2021” , the words and figures “ 31st March, 2022” shall be substituted.

9. *Amendment of Act 7 of 2020.*— In the Kerala Finance Act, 2020 (7 of 2020), in section 10,—

(1) in sub-section (1), —

(a) in clause (i), for the words “ fifty per cent” , the words “ seventy per cent” shall be substituted;

(b) in clause (ii), for the words “forty per cent” , the words “sixty per cent” shall be substituted;

(2) in sub-section (4) for the words “an assessee” the words “ a year” shall be substituted;

(3) in sub-section (5),—

(a) for the words and figures “30th November, 2020” , occurring at both the places, the words and figures “31st August, 2021” , shall be substituted;

(b) for the words and figures “31st March, 2021” , the words and figures “31st March, 2022” shall be substituted;

(4) in sub-section (7), for the words and figures “ 31st March, 2021” , the words and figures “ 31st March, 2022” shall be substituted.

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 all the provisions of this Bill shall have effect on and from the 1st day of April, 2021, under the Kerala Provisional Collection of Revenues Act, 1985 (10 of 1985).

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 2021-22 as announced in paras 284, 343, 344, 345, 347, 348, 349 and 350 of the Budget Speech 2021-22, namely:—

1. The Kerala Surcharge on Taxes Act, 1957 (11 of 1957);
2. The Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960);
3. The Kerala General Sales Tax Act, 1963 (15 of 1963);
4. The Kerala Building Tax Act, 1975 (7 of 1975);
5. The Kerala Agricultural Income Tax Act, 1991 (15 of 1991);
6. The Kerala Value Added Tax Act, 2003 (30 of 2004).
7. The Kerala Finance Act, 2019 (5 of 2019);
8. The Kerala Finance Act, 2020 (7 of 2020).

FINANCIAL MEMORANDUM

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

DR. T. M. THOMAS ISSAC.

**EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA SURCHARGE ON TAXES ACT, 1957**

(11 OF 1957)

**

**

**

**

"3A. Reduction of arrears in certain cases.— (1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of surcharge or any other amount due under this Act relating to the period up to and including 30th June, 2017, may opt for settling the arrears by availing a complete reduction of the penalty amount, interest on the surcharge amount and on the penalty amount, on payment of,—

(i) fifty per cent of the principal amount of the surcharge in arrears; or

(ii) forty per cent of the principal amount of the surcharge in arrears, if the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority referred to in sub-section (7).

**

**

**

**

(4) All arrears including surcharge, interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 30th November, 2020:

Provided that with respect to demands generated after 30th November, 2020, the option may be filed within thirty days on receipt of the assessment order and in such cases the final payment of surcharge and other amounts due as per this section shall be completed on or before 31st March, 2021.

**

**

**

**

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of surcharge and other amounts due from the assessee under sub-section (1) and shall intimate the same to the assessee, and thereupon the assessee shall remit the amount in installments or lump sum, as the case may be, on or before 31st March, 2021:

**

**

**

**

EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA COURT FEES AND SUITS VALUATION ACT, 1959

(10 OF 1960)

**

**

**

**

CHAPTER VIII

LEGAL BENEFIT FUND

76. *Legal Benefit Fund.*—(1) Notwithstanding anything contained in this Act or any other law for the time being in force and subject to section 4A of the Act and sub-rule (1) of rule 397 of the Kerala Motor Vehicle Rules, 1989 it shall be competent for the Government to levy an additional court fee by notification in the Gazette, in respect of original petitions, original applications, appeals or revisions to tribunals, appellate authorities and original suits in Civil Courts other than in Family Court at a rate not exceeding one percent of the amount involved in the dispute and in other cases at a rate not exceeding one hundred rupees for each original suit, original petition, original application, appeal or revision.

Explanation:— The term “ amount involved in the dispute” as specified in sub-section (1), where it is capable of valuation, does not include the amount of valuation for the purpose of court fee, in suits for recovery of possession, partition and suits of similar nature and where fixed court fee is specified under this Act.” ;

**

**

**

**

**EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA GENERAL SALES TAX ACT, 1963**

(15 OF 1963)

**

**

**

7. *Payment of tax at compounded rates.*— Notwithstanding anything contained in sub-section (2) of section 5, any bar attached hotel, not being a star hotel of and above four star hotel, heritage hotel or club, may, at its option, instead of paying turnover tax on foreign liquor in accordance with the said sub-section, pay turnover tax on the turnover of foreign liquor calculated at the rates in item (i) or (ii), as the case may be.

**

**

**

**

(a) at one hundred and eighty per cent of the purchase value of such liquor, in the case of those situated within the area of a municipal corporation or a municipal council or a cantonment, and at one hundred and seventy per cent of the purchase value of such liquor, in the case of those situated in any other place; or

(b) at one hundred and twenty five per cent of the highest turnover tax payable by it as conceded in the return or accounts or the turnover tax paid for any of the previous consecutive three years:

“ Provided that the calculation under sub-clause (b) of clause (ii) shall not be applicable in case of bar attached hotels whose FL-3 licences issued under the Abkari Act, 1077 (1 of 1077) was cancelled and was converted to FL-11 licences in pursuance of the Abkari Policy of the Government for the year 2014-15 and such FL-11 licencees had conducted business under such licence for a full financial year.” ;

“ 7 A. *Special provision for payment of turnover tax and waiver of penalty and interest.*—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any assessment, judgment, decree or order of any court, tribunal or appellate authority, bar hotels,—

(i) which were closed pursuant to the Abkari policy of the Government for the year 2014-2015, and were registered and had paid turnover tax prior to such closure; and

**

**

**

**

(iii) who have not paid turnover tax on the turnover of sale conducted under such new/renewed licences for the period up to 31st March, 2020 and assessments were either completed or not, against them for the turnover tax due for such period,

Shall be allowed to settle the arrears of turnover tax up to 31st March, 2020 at the rates mentioned in section 7, subject to eligibility conditions mentioned therein, with complete waiver of penalty and fifty per cent waiver on interest, subject to the following conditions, namely:—

(a) the option to settle under this scheme shall be filed on or before 30th November, 2020.

** ** ** **

(d) twenty per cent of the amount determined in sub-clause (c) shall be paid within a month of receipt of the intimation referred therein and the balance amount shall be paid four installments before 31st March, 2021.

** ** ** **

'23B. Reduction of arrears in certain cases.— (1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee, who is in arrears of tax or any other amount due under this Act or under the Central Sales Tax Act, 1956 (Central Act 74 of 1956),—

(i) in case of demands relating to the period up to and including 31st March, 2005, may opt for settling the arrears by availing a complete reduction of the penalty amount, interest on the tax amount and on the penalty amount, on payment of,—

(a) fifty per cent of the principal amount of the tax in arrears; or

(b) forty per cent of the principal amount of the tax in arrears, is the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority

** ** ** **

(4) All arrears including tax, interest and penalties pertaining to an assessee shall be settled together under this section

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 30th November, 2020:

Provided that with respect to demands generated after 30th November, 2020 the option may be filed within thirty days from the date of receipt of the order and in such cases the final payment of tax and other amount due as per this section shall be completed before 31st March, 2021.

**

**

**

**

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the assessee under sub-section (1) and shall intimate the same to the assessee, and thereupon the assessee shall remit the amount in installments on or before 31st March, 2021:

**

**

**

**

EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA BUILDING TAX ACT, 1975

(7 OF 1975)

** ** ** **

5. Charge of building tax.— (1) Subject to the other provisions contained in this Act, there shall be charged a tax (hereinafter referred to as building tax) based on the plinth area at the rate specified in the Schedule-I on every building the construction of which completed on or after the appointed day.

** ** ** **

**EXTRACT FROM THE RELEVANT PORTIONS
OF THE KERALA AGRICULTURAL INCOME TAX ACT, 1991
(15 OF 1991)**

** ** ** **

“37C. Reduction of arrears in certain cases.—(1) Notwithstanding anything contained in this Act or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under this Act relating to the period up to and including 31st March, 2017, may opt for settling the arrears on payment of,—

(i) fifty per cent of the principal amount of the tax in arrears; or

(ii) forty per cent of the principal amount of the tax in arrears, if the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority referred to in sub-section (7).

** ** ** **

(4) All arrears including tax, interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 30th November, 2020:

Provided that with respect to demands generated after 30th November, 2020, the option may be filed within thirty days, on receipt of the assessment order and in such cases the final payment of tax and other amounts due as per this section shall be completed on or before 31st March, 2021.

** ** ** **

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the assessee under sub-section (1) and shall intimate the same to the assessee, and thereupon the assessee shall remit the amount in installments or lump sum, as the case may be, on or before 31st March, 2021:

** ** ** **

**EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA VALUE ADDED TAX ACT, 2003**

(30 OF 2004)

** ** ** **

THIRD SCHEDULE TAXABLE @ 5%

[See section 6 (1) (a)]

Sl. No.	Description of Goods	HSN Code
(1)	(2)	(3)
**	**	**
	"98 A—Domestic LPG	2711.19.00";
**	**	**

**EXTRACT FROM THE RELEVANT PORTIONS OF
THE KERALA FINANCE ACT, 2020****(7 OF 2020)****** ** ** ******10. special provision for Reduction of arrears in certain cases.—**

(1) Notwithstanding anything contained in sub-section (1) of section 174 of the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and in the Kerala Value Added Tax Act, 2003 (hereinafter referred to as the former Act) or rules made thereunder or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under the former Act or under the Central Sales Tax Act, 1956 (Central Act 74 of 1956) relating to the period up to and including 30th June, 2017, may opt for settling the arrears on payment of,—

(i) fifty per cent of the principal amount of the tax in arrears ; or

(ii) forty per cent of the principal amount of the tax in arrears, if the amount is paid in lump sum within 30 days of receipt of intimation of the assessing authority referred to in sub-section (7) :

**** ** ** ****

(4) All arrears including tax, interest and penalties pertaining to an assessee shall be settled together under this section.

(5) An assessee who intends to opt for payment of arrears under sub-section (1) shall submit an option to the assessing authority on or before 30th November, 2020 :

Provided that with respect to demands generated after 30th November, 2020, the option may be filed within thirty days, on receipt of the assessment order and in such cases the final payment of tax and other amounts due as per this section shall be completed on or before 31st March, 2021.

**** ** ** ****

(7) On receipt of the option under sub-section (5), the assessing authority shall determine the amount of tax and other amounts due from the assessee under sub-section and shall intimate the same to the assessee, and thereupon the assessee shall remit the amount in installments or lump sum, as the case may be, on or before 31st March, 2021 :

**** ** ** ****
