

**Government of Karnataka  
(Department of Commercial Taxes)**

No. KGST.CR-05/2019-20

**Office of the Commissioner of Commercial Taxes  
Vanijya Therige Karyalaya, Gandhinagar,  
Bengaluru-560009, Dated: 05-04-2019**

**COMMISSIONER OF COMMERCIAL TAXES CIRCULAR No. GST-02/2019-20**

Subject: Clarification regarding exercise of option to pay tax under  
Notification (02/2019) No. FD 48 CSL 2017 dt 07.03.2019 – Reg.

Attention is invited to Notification (02/2019) No. FD 48 CSL 2017 dated 07.03.2019 (hereinafter referred to as “the said notification”) which prescribes rate of State tax of 3% on first supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1<sup>st</sup> day of April in any financial year, by a registered person whose aggregate annual turnover in the preceding financial year was fifty lakh rupees or below. The said notification, as amended by Notification (09/2019) No. FD 48 CSL 2017 dated 29.03.2019, provides that Karnataka Goods and Services Tax Rules, 2017 (hereinafter referred to as “the said rules”), as applicable to a person paying tax under section 10 of the Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as “the said Act”) shall, mutatis mutandis, apply to a person paying tax under the said notification.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of the law across field formations, in exercise of powers conferred by section 168 (1) of the said Act, the issues raised are hereby clarified as below:–

(i) a registered person who wants to opt for payment of State tax @ 3% by availing the benefit of the said notification, may do so by filing intimation in the manner specified in sub-rule 3 of rule 3 of the said rules in **FORM GST CMP-02** by selecting the category of registered person as “Any other supplier eligible for composition levy” as listed at Sl. No. 5 (iii) of the said form, latest by 30<sup>th</sup> April, 2019. Such person shall also furnish a statement in **FORM GST ITC-03** in accordance with the provisions of sub-rule (3) of rule 3 of the said rules.

(ii) Any person who applies for registration and who wants to opt for payment of State tax @ 3% by availing the benefit of the said notification, if eligible, may do so by indicating the option at serial no. 5 and 6.1(iii) of **FORM GST REG-01** at the time of filing of application for registration.

(iii) The option of payment of tax by availing the benefit of the said notification in respect of any place of business in the State shall be deemed to be applicable in respect of all other places of business registered on the same Permanent Account Number.

(iv) The option to pay tax by availing the benefit of the said notification would be effective from the beginning of the financial year or from the date of registration in cases where new registration has been obtained during the financial year.

3. It may be noted that the provisions contained in Chapter II of the said Rules shall mutatis mutandis apply to persons paying tax by availing the benefit of the said notification, except to the extent specified in para 2 above.

4. This circular is clarificatory in nature and cannot be made use of for interpretation of provisions of law. If any member of trade has any doubt, he may refer the matter to this office for further clarification. All the members of trade and industry are requested to follow the procedure laid down in this regard as per law and as per the contents of this circular.



(SRIKAR M.S.)

Commissioner of Commercial Taxes  
(Karnataka) Bengaluru  
Commissioner of Commercial Taxes  
Karnataka, Bangalore.

To,

All the officers of the Commercial Taxes Department.