



GOVERNMENT OF KARNATAKA
(Department of Commercial Taxes)

No. KSA/CR/101/ 16-17

Office of the
Commissioner of Commercial Taxes,
(Karnataka), Vanijya Therige Karyalaya,
Gandhinagar, Bengaluru,
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COMMISSIONER OF COMMERCIAL TAXES CIRCULAR NO. 01/2017-18

Sub: - Karasamadhana Scheme, 2017-Reg.

Ref: G.O. No. FD 24 CSL2017 Dated 31.3.2017

The Hon'ble Chief Minister in para 488 of the Budget Speech for the year 2017-18 had announced a Karasamadhana Scheme aiming at reducing the arrears of tax and other amounts due in view of the proposed introduction of Goods and Services Tax. Therefore, a Scheme for waiver of penalty and interest under the Karnataka Sales Tax Act, 1957, the Central Sales Tax Act, 1956, the Karnataka Value Added Tax Act, 2003, the Karnataka Tax on Entry of Goods Act, 1979, the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Agricultural Income Tax Act, 1957, and the Karnataka Entertainments Act, 1958 is formulated by the Government vide order under reference. Following are the features of the Scheme:

- It grants waiver of 90% of arrears of penalty and interest payable by a dealer under the Karnataka Sales Tax Act, 1957 and the Central Sales Tax Act, 1956 relating to the assessment years up to 31.3.2005.
- It grants waiver of 90% of arrears of penalty and interest payable by a dealer relating to the assessment/ re-assessment orders passed under the provisions KVAT Act for the tax periods relating to the years from 1.4.2005 to 31.3.2016, and assessment /re-assessment orders passed under CST Act for the tax periods relating to the years from 1.4.2005 to 31.3.2016.
- It grants waiver of 90% 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 for the years up to 31.3.2016 under minor Acts administered by the Department namely.-

(a) The Karnataka Tax on Entry of Goods Act, 1979;

- (b) The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976;
- (c) The Karnataka Tax on Luxuries Act, 1979;
- (d) The Karnataka Agricultural Income Tax Act, 1957 and
- (e) The Karnataka Entertainments Act, 1958.

• It grants of waiver of penalty and interest subject to certain conditions and procedure as envisaged in the Government Order. Important conditions and procedure as envisaged in the Government Order are as follow:

2. “**Arrears of tax**” assessed/reassessed as per the provisions of the KST and CST Act relating to the assessment years up to 31.3.2005 and tax assessed/reassessed as per the provisions of the KVAT Act and CST Act relating to the tax periods for the years from 1.4.2005 to 31.3.2016 and also tax assessed or reassessed under the provisions of KTEG Act, KTPTC & E Act, KTL Act, KAIT Act and KET Act relating to the assessment or reassessment for the years up to 31.3.2016 and remaining unpaid upto 15.3.2017 shall be paid along with 10% of ‘penalty and interest put together relating to such arrears of tax on or before 31.5.2017 for availment of this scheme.
3. If the arrears of tax along with 10% of arrears of penalty and interest as mentioned in Sl. No. 2 above is paid on or before 31.5.2017, then such dealer/person/proprietor is eligible to opt for the Scheme to get a waiver of 90% of ‘penalty and interest’ put together.
4. It is also applicable to a dealer or person or proprietor as the case may be, who has no ‘arrears of tax’, but only ‘arrears of penalty and interest’. In such cases, if the dealer or person or proprietor as the case may be, pays 10% of ‘arrears of penalty and interest’ put together on or before 31.5.2017, the balance ‘arrears of penalty and interest’ shall be waived.
5. If the dealer or person or proprietor as the case may be, 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 or person or proprietor as the case may be, shall withdraw the appeal or other application before availing the benefit of waiver of arrears of penalty and interest under this Scheme.
6. If appeal or other applications are withdrawn, and on payment of full arrears of tax, the quantum of arrears of tax/penalty and interest for the purpose of this Scheme shall be considered as per the order against which appeal or other applications were filed which are since withdrawn to avail of the benefits of the Karasamadhana Scheme, 2017.

