

Fifteenth Kerala Legislative Assembly
Bill No. 56

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**THE KERALA GENERAL SALES TAX
(AMENDMENT) BILL, 2021**

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further to amend the Kerala General Sales Tax Act, 1963.

Preamble.—WHEREAS, it is expedient further to amend the Kerala General Sales Tax Act, 1963 (15 of 1963) for the purposes hereinafter appearing;

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

1. *Short title and commencement.*—(1) This Act may be called the Kerala General Sales Tax (Amendment) Act, 2021.

(2) It shall be deemed to have come into force on the 16th day of May, 2020.

2. *Amendment of the Schedule.*—In the Kerala General Sales Tax Act, 1963 (15 of 1963) (hereinafter referred to as the principal Act), in the *SCHEDULE*, in serial number 2, under the heading 'Foreign Liquor', for the entries “27, 80, 102, 72, 212, 202” against sub-entries (i), (ii), (iii), (iv) and sub-items (a) and (b) of sub-entry (v), the entries “37, 115, 112, 82, 247, 237” shall, respectively, be substituted.

3. *Repeal and saving.*—(1) The Kerala General Sales Tax (Amendment) Ordinance, 2021 (105 of 2021) is hereby repealed.

(2) Notwithstanding such repeal, anything done or deemed to have been done or any action taken or deemed to have been taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

As per schedule to the Kerala General Sales Tax Act, 1963 under Foreign Liquor, the rate of tax of Bottled Wine, imported from outside the country and has suffered duty under the Customs Act, 1962 is 27 per cent, Bottled Foreign Liquor other than wine, imported from outside the country and has suffered duty under the Customs Act, 1962 is 80 per cent, Beer not covered under sub-entry (ii) is 102 per cent, Wine not covered under sub-entry (i) is 72 per cent and Foreign Liquor not covered under sub-entries (i), (ii), (iii) and (iv) for which purchase value incurred is above rupees 400 per case is 212 per cent and for which purchase value incurred is upto rupees 400 per case is 202 per cent.

2. In view of the lock down imposed to prevent the spread of COVID-19 disease all revenue collections had come down sharply. A major portion of the revenue collected were utilized for preventing the spread of the pandemic COVID-19 disease. Additional revenue mobilization was necessary to overcome this situation. For getting additional revenue, it has become imperative to make an increase in the rate of sales tax on sale of foreign liquor such as bottled wine, bottled foreign liquor other than wine imported from outside the country, beer etc. and to make consequential amendment in the Kerala General Sales Tax Act, 1963 (15 of 1963).

3. As the Legislative Assembly of the State of Kerala was not in session and the above proposal had to be given effect to immediately, the Kerala General Sales Tax (Amendment) Ordinance, 2020 was promulgated by the Governor of Kerala on the 15th day of May, 2020 and the same was published as Ordinance No. 33 of 2020 in the Kerala Gazette Extraordinary No. 1197 dated 16th May, 2020.

4. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by, the Legislative Assembly of the State of Kerala during its session which was convened on the 24th day of August, 2020.

5. As the provisions of the said Ordinance are to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala General Sales Tax (Amendment) Ordinance, 2020 (48 of 2020) was promulgated by the Governor of Kerala on the 26th day of September, 2020 and the same was published in the Kerala Gazette Extraordinary No. 2213 dated 29th September, 2020.

6. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session which convened on 31st day of December, 2020 and though a Bill to replace the said Ordinance by an Act of the State Legislature was published as Bill No. 276 of the Fourteenth Kerala Legislative Assembly, the same could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session which commenced on the 8th day of January, 2021 and ended on the 22nd day of January, 2021.

7. As the provisions of the said Ordinance are to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala General Sales Tax (Amendment) Ordinance, 2021 (18 of 2021) was promulgated by the Governor of Kerala on the 9th day of February, 2021 and was published in the Kerala Gazette Extraordinary No. 665 dated 10th February, 2021.

8. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session which commenced on the 24th day of May, 2021 and ended on the 10th day of June, 2021.

9. As the provisions of the said Ordinance are to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala General Sales Tax (Amendment) Ordinance, 2021 (60 of 2021) was promulgated by the Governor of Kerala on the 1st day of July, 2021 and was published in the Kerala Gazette Extraordinary No. 1929 dated 2nd July, 2021.

10. Though a Bill to replace the said Ordinance by an Act of the State Legislature was published as Bill No. 31 of the Fifteenth Kerala Legislative Assembly, the same could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session which commenced on the 22nd day of July, 2021 and ended on the 13th day of August, 2021.

11. As the provisions of the said Ordinance are to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Kerala General Sales Tax (Amendment) Ordinance, 2021 (105 of 2021) was promulgated by the Governor of Kerala on the 23rd day of August, 2021 and was published in the Kerala Gazette Extraordinary No. 2483 dated 25th August, 2021.

12. The Bill seeks to replace Ordinance No. 105 of 2021 by an Act of the State Legislature.

FINANCIAL MEMORANDUM

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

K. N. BALAGOPAL.

