

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Karasamadhana Scheme, 2013 – reg.

Ref: Para No.589 of the Budget Speech for the year
2013-14.

PREAMBLE:

The Hon'ble Chief Minister and Finance Minister in his Budget Speech for the year 2013-14 has announced a Karasamadhana Scheme aiming at reducing the arrears of tax and other amounts due under the KST Act, 1957 and the CST Act, 1956. Hence, the Government is pleased to pass the following order:

G.O. No. FD 184 CSL 2013, dated: 02.09.2013.

The Government hereby accords approval to the scheme called Karasamadhana Scheme-2013. It grants partial waiver of arrears of penalty and interest payable by a dealer under the KST and the CST Acts relating to the assessment years upto 31.3.2005 subject to certain conditions and procedure. The features, conditions and procedure of the scheme are as mentioned below:

1. Definitions:

For the purposes of this scheme,

- 1.1. 'arrears of tax' means tax assessed / re-assessed (including by way of deemed assessment) as per the provisions of the KST /CST Acts relating to the assessment years upto 31.3.2005 and remaining unpaid as on 12.7.2013; and
- 1.2. 'arrears of penalty and interest' means all kinds of penalties levied and all kinds of interest accrued under the various provisions of the KST and CST Acts relating to the assessment years upto 31.3.2005 and remaining unpaid as on 12.7.2013. This shall also include all kinds of penalties leviable for the said period and interest accrued till the date of application filed by the dealer under the Scheme.

2. The Scheme:

- 2.1. Any dealer who makes full payment of arrears of tax on or before 31.12.2013 shall be granted part-waiver in 'arrears of penalty and interest'.

- 2.2. The part-waiver mentioned in clause (2.1) above shall be to the extent of 90% of 'arrears of penalty and interest' put together. That is to say, apart from payment of the 'arrears of tax', the dealer shall have to pay 10% of the 'arrears of penalty and interest' put together on or before 31.12.2013. If he does so, the balance of 'arrears of penalty and interest' shall be waived.
- 2.3. If the dealer has no 'arrears of tax', but only 'arrears of penalty and interest', in such cases, if the dealer pays 10% of 'arrears of penalty and interest' put together on or before 31.12.2013, the balance 'arrears of penalty and interest' shall be waived.
- 2.4. If the dealer 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 shall withdraw the appeal or other application before availing the benefit of waiver of arrears of penalty and interest under this Scheme. If appeal or other application is withdrawn, the quantum of arrears of tax / penalty and interest for purposes of this scheme shall be considered as per the order against which appeal or other applications had been filed which are since withdrawn to avail of the benefits of the Karasamadhana Scheme, 2013;
- 2.5. The dealer shall not file appeal or other applications before any appellate authority or Court after filing application for availing of the benefits of this scheme,
- 2.6. The dealer shall not be eligible to avail of the benefits of this scheme if, in relation to the order giving rise to arrears of tax / penalty and interest:
- (a) State has filed appeal before the Karnataka Appellate Tribunal; or
 - (b) State has filed appeal or revision or any kind of application before the High Court or the Supreme Court ; or
 - (c) Any officer of the Commercial Taxes Department has initiated suo-motu revision or re-assessment proceedings as on 12.7.2013.

