



Government of Karnataka
Commercial Taxes Department

**PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES,
(KARNATAKA), BANGALORE- CLARIFICATION UNDER SECTION 59(4) OF
THE KARNATAKA VALUE ADDED TAX ACT, 2003.**

Sub: KVAT Act, 2003 - Clarification under Section 59(4) regarding multi option of payment of taxes U/s 4 for one works contract business and U/s 15 for another works contract business.

Ref: Application dated 17-02-2012 of M/s Shonan Engineering Works Pvt. Ltd., Bangalore - TIN:29900391591


In the application cited above, M/s. Shonan Engineering Works Pvt. Ltd., No.2/7, (10-B), 2nd Floor, 2nd Cross, J.C.Road, Bangalore stating that they are carrying out the works contracts of (1) supplying and laying of Steel Pipelines opting to pay tax(VAT) u/s 4, (2) providing and laying of HDPE pipelines under water supply schemes opting to pay tax(COT) u/s 15, and (3) construction of manholes chambers and providing, laying, jointing, testing and commissioning of SWG/RCC under UGD scheme opting to pay tax (COT) u/s 15 of KVAT Act, has sought clarification regarding adoption of payment of taxes u/s 4 for one works contract business and u/s 15 for another works contract business for any particular / same assessment period.

2. Section 59(4) of the Karnataka Value Added Tax Act, 2003 empowers the Commissioner of Commercial Taxes to clarify the rate of tax payable under the Act, if he considers it necessary or expedient so to do, for the purpose of maintaining uniformity in the work of assessments and collection of revenue. It is examined and found that the clarification requested by the petitioner is within the scope of the aforesaid provision and it is necessary that the clarification be issued for the purpose of maintaining uniformity in the work of assessments and collection of revenue.

3. Hence the following clarification is issued.

CLARIFICATION NO.CLR.CR-217/2011-12, DATED: 02-05-2012

It is clarified that the applicant may either opt for composition of tax as per section 15 of the KVAT Act, 2003 in respect of all the three types of works contract or pay tax under regular scheme as per section 4 of the Act in respect of all the three types of works contract. But, he cannot avail both the schemes for his different types of works contract.


(PRADEEP SINGH KHAROLA)
Commissioner of Commercial Taxes,
(Karnataka), Bangalore
Commissioner of Commercial Taxes
in Karnataka, BANGALORE