



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 rate of tax under composition scheme for
works contract - reg.

Ref: Application dated 08-09-2012 of M/s. Primavera
Projects -N- constructions Ltd., Bangalore-560052.
TIN:29530700788.

In the application cited above of M/s. Primavera Project -N- constructions Limited., No.31, 3rd Floor, 'Ranka Chambers', Cunningham Road, Bangalore-560052 has sought clarification regarding rate of tax under composition scheme for works contract.

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.119/12-13, DATED 20-10-2012

It is clarified that a contractor who has opted for composition of tax under section 15(1) of the Karnataka Value Added Tax Act, 2003 is liable to pay by way of composition an amount at the rate of 4% on the total consideration for the works contract executed, in terms of the notification No. FD 116 CSL 2006 (13) dt.31.03.2006 and such amount can be collected from the customers. If so collected, it can be deducted from the total consideration on which composition amount is payable.

(YOGENDRA TRIPATHI)

Commissioner of Commercial Taxes,

(Karnataka), Bangalore

Commissioner of Commercial Taxes

in Karnataka, BANGALORE