

Fourteenth Kerala Legislative Assembly

Bill No. 257

THE KERALA FINANCE BILL, 2020

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BILL

to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2020-2021.

Preamble.—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2020-2021.

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

1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance Act, 2020.

(2) Save as otherwise provided in this Act,—

(a) section 8 shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

(b) the remaining provisions of this Act shall come into force on the 1st day of April 2020.

2. *Amendment of Act 11 of 1957.*—In the Kerala Surcharge on Taxes Act, 1957 (11 of 1957), for section 3A, the following section shall be substituted, namely:—

6. *Amendment of Act 19 of 1976.*—In the Kerala Motor Vehicles Taxation Act, (19 of 1976),—

(1) in section 2,—

(i) in clause (e), after the words “chargeable on vehicles” the words “or the sale amount shown in the homologation uploaded by the manufacturer in the Parivahan portal administered by the Ministry of Road Transport and Highways, which ever is higher” shall be inserted.

(ii) after the first proviso, the following proviso shall be inserted, namely:—

“Provided further that the tax collection at source (TCS), which is a part of income tax payment, specified if any, in the purchase invoice shall not be included in the purchase value”;

(iii) in the third proviso, for the word “further” the word “also” shall be substituted.

(2) in section 3, after sub-section (7), the following sub-section shall be inserted, namely:—

“(7A) In the case of motor vehicles in possession of a dealer or a manufacturer, as the case may be, and used on road exclusively for any demonstration purposes, a tax at the rate of $\frac{1}{15}$ th of the life time tax specified in Annexure I of the Schedule shall be paid for each year:

Provided that the life time tax for 15 years specified in Annexure I of the Schedule shall be levied from the date of purchase, at the time of first registration of such vehicle.”.

(3) in the SCHEDULE,—

(a) in serial number 3, in item(i), in sub-item (r), for the entries against it in column(3), the following entries shall be substituted, namely:—

“5990.00 + Rs.190 for every 250 Kg or part thereof in excess of 20000 Kg”.

(b) in serial number 7,—

(i) in item (ii), for the heading, the following heading shall be substituted, namely:—

“Motor Vehicles owned by Government or Aided Educational Institutions and permitted to ply as Contract Carriages and solely used as Educational Institution Bus”.

(ii) after item(ii) the following item and entries shall respectively be inserted, namely:—

“(iia) Motor Vehicles owned by other Educational Institutions and permitted to ply as Contract Carriages and solely used as Educational Institution Bus,—

(a) Vehicles with 20 or less seats including driver— 50.00
for every passenger

(b) Vehicles with more than 20 seats—for every 100.00.”
passenger

(iii) in item (iv), in sub-items (a), (b) and (c), for the entries against it in column(3), the following entries shall, respectively, be substituted, namely:—

“Rs.1170.00 per square meter or part thereof.

Rs.990.00 per square meter or part thereof.

Rs.1260.00 per square meter or part thereof.”

(c) in Annexure I,—

(i) in serial number A,—

(a) in item 1,—

(i) in column (2), after the words and figure “rupees one lakh”, the words and brackets“(other than electric vehicles)”, shall be added;

(ii) in column (3), for the figure and symbol "9 %" the figures and symbol "10%", shall be substituted;

(b) in item 2,—

(i) in column (2), after the words and figure "rupees two lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figures and symbol "11%", the figures and symbol "12%", shall be substituted;

(c) in item 2A, in column (2), after the words and figure "rupees two lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(d) in item 3,—

(i) in column (2), after the words "goods or passengers", the words and bracket "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figure and symbol "6%", the figure and symbol "8%", shall be substituted;

(e) in item 4,—

(i) in column (2), after the words and figure "rupees five lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figure and symbol "7 %", the figure and symbol "9%", shall be substituted;

(f) in item 5,—

(i) in column (2), after the words and figures "rupees ten lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(ii) in column (3), for the figure and symbol "9%", the figure and symbol "11%", shall be substituted;

(g) in item 6,—

(i) in column (2), after the words and figures "rupees fifteen lakh", the words and symbol "(other than electric vehicles)", shall be inserted;

(ii) in column (3), for the figures and symbol "11%", the figures and symbol "13%" shall be substituted;

(h) in item 7, after the words and figures "rupees twenty lakhs", the words and brackets "(other than electric vehicles)" shall be added;

(i) in item 7A, after the words and figures "rupees twenty lakhs", the words and brackets "(other than electric vehicles)", shall be added;

(j) after item 7A and entries against it in columns (2) and (3), the following item and entries shall, respectively, be inserted, namely:—

"7B. Electric motor cycles, Electric Motor 5% of the purchase value of cars, Electric Private Service Vehicles for the vehicle." personal use and Electric three wheeled vehicles for personal use.

(k) in item 13, in column (3) for the figure and symbol "6%", the figure and symbol "8%", shall be substituted;

(d) in Annexure II,—

(i) for serial number C, the following serial numbers and entries shall, respectively, be substituted, namely:—

"C. New e-rickshaws and e-rickshaws which were originally registered in other States on or after 1 st April, 2018 and migrated to the State of Kerala.	2000.00.
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CA. New autorickshaws and autorickshaws 2500.00.”
 which were originally registered in other
 States on or after 1st April, 2010 and migrated
 to the State of Kerala.

7. *Amendment of Act 15 of 1991.*—In the Kerala Agricultural Income Tax Act, 1991 (15 of 1991) for section 37C, the following section shall be substituted, namely:—

“37C. *Reduction of arrears in certain cases.*—(1) Notwithstanding anything contained in this Act or rules made there under or in any judgment, decree or order of any court, tribunal or appellate authority, any assessee who is in arrears of tax or any other amount due under this Act relating to the period up to and including 31st March, 2017, may opt for settling the arrears on payment of,—

(i) fifty per cent of the principal amount of the tax in arrears; or

(ii) forty per cent of the principal amount of the tax in arrears, if the amount is paid in lump sum within thirty days of receipt of intimation of the assessing authority referred to in sub-section (7).

(2) Notwithstanding anything contained in the Kerala Revenue Recovery Act, 1968, (15 of 1968) reduction of arrears under sub-section (1) shall be applicable to those cases in which revenue recovery proceedings have been initiated and the assessing authorities shall have the power to collect such amounts on settlement under sub-section (1) and where the amount is settled under sub-section (1) the assessing authorities shall withdraw the revenue recovery proceedings against such assesseees which will then be binding on the revenue authorities and such assessee shall not be liable for payment of any collection charges.