

PRESS NOTE ON COMPREHENSIVE KARASAMADHANA SCHEME-2019

Considering the request of the trade and industry for extension of the Karasamadhana Scheme for all the arrears arising out of the enactments administered by the Commercial Taxes Department which existed before the introduction of GST, Hon'ble Chief Minister of Karnataka had announced a **"Comprehensive Karasamadhana Scheme"** in his Budget Speech in February 2019 to reduce the arrears.

To implement the Budgetary announcement a **"Comprehensive Karasamadhana Scheme-2019"** has been put in place vide Government vide Order No. FD 9 CSL 2019 Dated 21st February 2019. This is very comprehensive in nature which provides relief for settlement of arrears administered by the Commercial Taxes Department prior to introduction of GST such as

1. **The Karnataka Sales Tax Act, 1957,**
2. **The Karnataka Value Added Tax Act, 2003,**
3. **The Central Sales Tax Act, 1956,**
4. **The Karnataka Tax on Entry of Goods Act 1979,**
5. **The Karnataka Professions, Trades, Callings and Employments Tax Act, 1979,**
6. **The Karnataka Tax on Luxuries Tax Act, 1979**
7. **The Karnataka Entertainment Tax Act, 1958, and**
8. **The Karnataka Agricultural Income Tax Act, 1957.**

Comprehensiveness of the Scheme can be attributed also to the fact that, the penalties levied under section 72(1)(a) or 72(1)(b) and 74(4) for failure of filing of returns and failing to form VAT 240 under the Karnataka Value Added Tax Act, 2003 respectively are also covered under the ambit of the scheme for the first time. Further, 100% waiver of penalty and interest has been envisaged for the first time in the Scheme which have been levied for all the arrears under all Acts as mentioned above subject to clearance of all the tax arrears for which interest and penalty has been levied. It also provides for adjustment of interest or penalty already paid at the time of filing of appeal towards arrears of tax subject to the condition that, the dealer opting for the scheme shall not be eligible for refund if there is excess.

Sufficiency of time is the hall mark of the scheme wherein arrears of tax with regard to assessments/re-assessments already concluded/ to be concluded up to **30.6.2019** are eligible for the scheme and time for payment of arrears of tax is upto **30.9.2019**. Thus, the scheme provides a golden opportunity to the dealers of more than **200 days** to avail the benefits of the scheme.

Transparent, hassle free procedure has also been rolled out wherein the dealers shall log on to the website <http://gst.kar.nic.in> or <http://ctax.kar.nic.in> and fill the relevant application and can make payment online. The scheme also mandates the authorities to inform the discrepancies if any within 15 days which ensures the proactiveness of the Department towards ensuring utilisation of the Scheme.

However the Scheme is not applicable to the arrears of those dealers where the State has filed appeal or revision before appellate forums and the courts and if any authority has initiated Suo moto revision as on 21.2.2019 and orders has been rectified after 30.6.2019. Further, the Scheme is not applicable to the penalties arising out of section 10-A of the Central Sales Tax Act, 1956.

Thus, all the dealers of Karnataka are hereby requested to avail the **“Comprehensive Karasamadhana Scheme-2019”** by paying the tax dues and seeking waiver of their interest and penalty burden.



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