

No. C2/37481/06/CT

Office of the Commissioner
Department of Commercial Taxes
Thiruvananthapuram.

Dated. 22/12/2006

CIRCULAR No.53/2006

Sub:- KVAT Act, 2003- Collection of Advance Tax in respect of evasion-prone commodities-further instructions - issued

Read: Circular No.50/2006 dated 18.12.2006

As per Circular No.50/2006 instructions were issued for collection of Advance Tax in respect of twelve evasion-prone commodities at the entry points in to the State such as Check Posts, Ports, Airports and Railway Stations.

Now it is brought to notice of the Commissionerate that dealers are experiencing inconvenience for remitting tax at the entry point in respect of the consignment, especially where the entry point is far from the ordinary place of business. Suggestions have been put forth from the trade to permit them to remit the tax before the concerned assessing authority.

This issue has been examined and the following further instructions are issued. Dealers may remit the tax on the consignments in advance before the respective assessing authority if they can provide details of the consignment such as copy of the bill/invoice, vehicle number, and name of the entry point (Check Post/Port/Airport/Railway Station).

While estimating the sale price for the purpose of collecting the advance tax the assessing authority shall consider the value as disclosed in the invoice/bill, transporting charges and an estimated gross profit at 5%. In the case of stock transfer no gross profit shall be considered for the purpose of computing the sale price.

On acceptance of Advance Tax, the assessing authority shall issue a certificate which specifies details of bills/invoice name of goods, their quantity and value as per accompanying documents, the value adopted by him for purposes of Advance Tax, details of the Advance Tax remitted and name of the entry point in to the State.

These certificates may be delivered in original or faxed to the entry point at the option of the dealer.

The Check Post authorities shall accept such certificates and permit the consignments to be transported after satisfying the genuineness of the certificate with reference to the consignment.

Assessing authorities shall maintain a register in respect of the details of certificates issued and Check Post authorities will maintain a separate register containing the details of consignments allowed on the basis of such certificates.

All officers are reminded that Advance Tax remittances shall be credited under the same Head of Account as VAT. To monitor these payments a separate register shall be maintained.

COMMISSIONER