

# TAX FLASH NEWS

21 February 2020

## Amnesty Scheme's announced by state (Kerala and West Bengal) to settle pre-GST regime indirect tax dispute

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Various States have presented their respective Finance Budget for the year 2020-21, two of the states i.e. Kerala and West Bengal, in the Budget have announced an amnesty scheme to settle pre-GST regime indirect tax disputes.

The new amnesty scheme has been announced with the aim to provide mutual benefit both to the taxpayer and the revenue and settle the disputes which were not settled in the earlier announced amnesty scheme.

### A. Kerala Amnesty Scheme 2020-21

Key highlights of the amnesty Scheme announced by the Hon'ble Finance Minister of Kerala in its Budget Speech for 2020-21 is as under:

#### 1. Statute to which the scheme shall apply

- a. Kerala Value Added Tax Act
- b. Central Sales Tax Act
- c. Tax on Luxuries Act
- d. Kerala Surcharges Act
- e. Kerala Agriculture Income Tax Act

#### 2. Scheme and Waivers

- a. 100 per cent waiver of interest and penalties
- b. 50 per cent waiver of the admitted tax

#### 3. Important features and conditions of the amnesty scheme

- a. Amnesty scheme will be applicable for all pending tax arrears including cases in appeals
- b. Option to avail the amnesty scheme should be made on or before 31 July 2020
- c. Last date for payment of the amount determined under the scheme shall be 31 December 2020
- d. Taxpayer who have failed to settle arrears under the previous amnesty scheme can also opt for amnesty under the new scheme
- e. Any amount paid under the earlier scheme shall be given due credit
- f. Those who have compounded offences and paid tax in such proceedings, such tax will be given credit
- g. No refund shall be allowed under the scheme

## B. West Bengal Settlement of Dispute Scheme

Key highlights of the settlement of dispute scheme announced is as under:

1. **Statute to which the scheme shall apply**
  - a. West Bengal Value Added Tax Act (VAT)
  - b. Central Sales Tax Act (CST)
  - c. Entry Tax
2. **Scheme and Waivers**
  - a. **In case of VAT and CST**

Sl. No.	Particulars	Payment	Waiver
1	Person opting for the scheme before 31 March 2020	Deposit 20 per cent of disputed tax by 31 March 2020	Balance 80 per cent waived.
2	Person failing to opt for the scheme	<ol style="list-style-type: none"><li>a. Deposit 25 per cent of half of the disputed tax by 31 March 2020</li><li>b. Deposit 30 per cent of balance half of the disputed tax in six monthly instalment starting from April 2020</li></ol>	Balance 45 per cent of disputed tax amount waived.

### b. In case of Entry Tax

Sl. No.	Particulars	Payment
1	Person opting for the scheme before 31 March 2020	100 per cent of the admitted tax amount to be paid on or before 31 March 2020
2	Person failing to opt for the scheme	<ol style="list-style-type: none"><li>a. Deposit 50 per cent of half of the admitted tax by 31 March 2020</li><li>c. Deposit 50 per cent of balance half of the admitted tax with nominal interest in six monthly instalment.</li></ol>

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### Ahmedabad

Commerce House V, 9th Floor,  
902, Near Vodafone House, Corporate  
Road,  
Pralhad Nagar,  
Ahmedabad – 380 051.  
Tel: +91 79 4040 2200

### Bengaluru

Embassy Golf Links Business Park,  
Pebble Beach, 'B' Block,  
1st & 2nd Floor,  
Off Intermediate Ring Road, Bengaluru –  
560071  
Tel: +91 80 6833 5000

### Chandigarh

SCO 22-23 (1st Floor),  
Sector 8C, Madhya Marg,  
Chandigarh – 160 009.  
Tel: +91 172 664 4000

### Chennai

KRM Towers, Ground Floor,  
1, 2 & 3 Floor, Harrington Road,  
Chetpet, Chennai – 600 031.  
Tel: +91 44 3914 5000

### Gurugram

Building No.10, 8th Floor,  
DLF Cyber City, Phase II,  
Gurugram, Haryana – 122 002.  
Tel: +91 124 307 4000

### Hyderabad

Salarpuria Knowledge City,  
6th Floor, Unit 3, Phase III,  
Sy No. 83/1, Plot No 2,  
Serilingampally Mandal,  
Ranga Reddy District,  
Hyderabad – 500 081.  
Tel: +91 40 6111 6000

### Jaipur

Regus Radiant Centre Pvt Ltd.,  
Level 6, Jaipur Centre Mall,  
B2 By pass Tonk Road,  
Jaipur – 302 018.  
Tel: +91 141 - 7103224

### Kochi

Syama Business Centre,  
3rd Floor, NH By Pass Road,  
Vytilla, Kochi – 682 019.  
Tel: +91 484 302 5600

### Kolkata

Unit No. 604,  
6th Floor, Tower – 1,  
Godrej Waterside,  
Sector – V, Salt Lake,  
Kolkata – 700 091.  
Tel: +91 33 4403 4000

### Mumbai

1st Floor, Lodha Excelus,  
Apollo Mills,  
N. M. Joshi Marg,  
Mahalaxmi,  
Mumbai – 400 011.  
Tel: +91 22 3989 6000

### Noida

Unit No. 501, 5th Floor,  
Advant Navis Business Park,  
Tower-A, Plot# 7, Sector 142,  
Expressway Noida,  
Gautam Budh Nagar,  
Noida – 201 305.  
Tel: +91 0120 386 8000

### Pune

9th floor, Business Plaza,  
Westin Hotel Campus, 36/3-B,  
Koregaon Park Annex,  
Mundhwa Road, Ghorpadi,  
Pune – 411 001.  
Tel: +91 20 6747 7000

### Vadodara

Ocean Building, 303, 3rd Floor,  
Beside Center Square Mall,  
Opp. Vadodara Central Mall,  
Dr. Vikram Sarabhai Marg,  
Vadodara – 390 023.  
Tel: +91 265 619 4200

### Vijayawada

Door No. 54-15-18E,  
Sai Odyssey,  
Gurunanak Nagar Road, NH 5,  
Opp. Executive Club, Vijayawada,  
Krishna District,  
Andhra Pradesh – 520 008.  
Tel: +91 0866 669 1000

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