

## **Commercial Taxes Department**

## MAJOR CHANGES AND MODIFICATIONS IN COMMERCIAL TAXES WITH EFFECT FROM 1<sup>ST</sup> APRIL, 2015

## I. VALUE ADDED TAX:

- 1. The following commodities have been exempted from tax from 1.4.2015 to 31.3.2016:
- (1) Paddy, Rice and Wheat.
- (2) Pulses.
- (3) Flour and Soji of Rice and Wheat and Maida of Wheat.
- 2. The following commodities have been exempted from tax from 1.4.2015:
- (1) Footwear of all kinds costing up to five hundred rupees per pair.
- (2) Handmade floor mats, table mats and runners, utility bags and other utility products made of banana fibre and other natural fibres of agricultural waste, but excluding rubberized fibre products.
- 3. Tax on the following commodities has been reduced to 5.5%:
- (1) Kerosene wick stoves.
- (2) M-Sand (Manufactured Sand).
- (3) Mobile phone charger whether sold along with mobile phone in sealed pack or otherwise.
- The following goods have been notified as Capital goods/Industrial inputs/Packing materials taxable at 5.5% VAT:
- (1) M-Sand manufacturing machinery.
- (2) Pallets, box pallets and other load boards; pallet collars.
- (3) Pre-sensitized lithographic plate.
- (4) Industrial cables namely High voltage cable, XLPE cable, Jelly filled cable, Optical fibre cable and PVC cable.
- VAT rate of 17% increased to 20% on Cigarettes, Cigars, Gutkha and other manufactured tobacco:
- 6. Other reliefs:
- (1) Increase in registration limit from Rs. 7.5 lakhs of annual taxable turnover to Rs. 10.00 lakhs.
- (2) Provision made for filing single first appeal against re-assessments for several tax periods of one financial year.
- (3) Enhancement of period for disposal of appeal by Karnataka Appellate Tribunal from 180 days to 365 days from the date of Stay order.
- (4) Provision to claim input tax credit of previous tax periods in the returns filed during subsequent tax periods by amending sub-section(3) of Section 10.
- (5) Granting permission for Special Accounting Scheme to be brought under "SAKALA".
- (6) Enabling dealers to file Appeal electronically before the First Appellate Authority and to receive orders electronically.
- (7) Enabling dealers to upload the details of CST statutory forms which will be linked to the turnover declared by the dealers in their returns.
- 7. Other important changes made in the Karnataka Value Added Tax Act, 2003:
- (1) Provision to limit input tax credit to the extent of output tax paid on commodities which are sold at a price lower than the purchase price.
- (2) Provision to deduct tax at source, at applicable rate, on the goods purchased by Government department/Local Bodies/other bodies as may be notified and with effect from the date to be notified.
- II. SALES TAX:
- (1) Sales tax rate of 15.65% increased to 16.65% on Diesel.
- (2) Sales tax rate of 25% increased to 26% on Petrol.
- III. PROFESSION TAX:
- (1) Profession tax exemption to Senior citizens who have attained age of 60 years.
- (2) Profession tax exemption to persons drawing salary/wages less than Rs.15,000/- in a month.
- IV. AGRICULTURAL INCOME TAX:

Replanting allowance hiked from Rs.900/- to Rs.2,050/- per Metric Tonne coffee produced to benefit coffee planters.

Please visit our website at http://ctax.kar.nic.in for more details of the amendments and notifications.

For smooth transition to GST, it is appealed to all the dealers to use the facility of e-UPaSS and update your Business PAN, e-Mail ID and Mobile Number

RITVIK PANDEY

Commissioner of Commercial Taxes









