

**Fifteenth Kerala Legislative Assembly**

**Bill No. 31**

---

**THE KERALA GENERAL SALES TAX  
(AMENDMENT) BILL, 2021**

---

•  
**Kerala Legislature Secretariat  
2021**

**KERALA NIYAMASABHA PRINTING PRESS.**

Published on 11-08-2021

**Fifteenth Kerala Legislative Assembly**

**Bill No. 31**

**THE KERALA GENERAL SALES TAX (AMENDMENT)  
BILL, 2021**

THE KERALA GENERAL SALES TAX (AMENDMENT)  
BILL, 2021

A

*BILL*

*further to amend the Kerala General Sales Tax Act, 1963.*

*Preamble.*—WHEREAS, it is expedient further to amend the Kerala General Sales Tax Act, 1963 (15 of 1963) for the purposes hereinafter appearing;

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

1. *Short title and commencement.*—(1) This Act may be called the Kerala General Sales Tax (Amendment) Act, 2021.

(2) It shall be deemed to have come into force on the 16th day of May, 2020.

2. *Amendment of the Schedule.*—In the Kerala General Sales Tax Act, 1963 (15 of 1963) (hereinafter referred to as the principal Act) in the SCHEDULE, in serial number 2, under the heading 'Foreign Liquor', for the entries "27, 80, 102, 72, 212, 202" against sub-entries (i), (ii), (iii), (iv) and sub-items (a) and (b) of sub-entry (v), the entries "37, 115, 112, 82, 247, 237" shall, respectively, be substituted.

3. *Repeal and saving.*—(1) The Kerala General Sales Tax (Amendment) Ordinance, 2021 (60 of 2021) is hereby repealed.

(2) Notwithstanding such repeal, anything done or deemed to have been done or any action taken or deemed to have been taken under the principal Act as amended by the said Ordinance shall be deemed to have been done or taken under the principal Act as amended by this Act.

## STATEMENT OF OBJECTS AND REASONS

Schedule to the Kerala General Sales Tax Act, 1963 provides for the rate of tax of Petroleum Products and Foreign Liquor. As per the Schedule, the rate of tax of Aviation Turbine Fuel is 34 per cent, High Speed Diesel Oil is 40 per cent, Motor Spirit (commonly known as petrol) is 50 per cent; under Foreign Liquor, the rate of tax of Bottled Wine, imported from outside the country and has suffered duty under the Customs Act, 1962 is 27 per cent, Bottled Foreign Liquor other than wine, imported from outside the country and has suffered duty under the Customs Act, 1962 is 80 per cent, Beer not covered under sub-entry (ii) is 102 per cent, Wine not covered under sub-entry (i) is 72 per cent and Foreign Liquor not covered under sub-entries (i), (ii), (iii) and (iv) for which purchase value incurred is above rupees 400 per case is 212 per cent and for which purchase value incurred is upto rupees 400 per case is 202 per cent.

2. In view of the lockdown imposed to prevent the spread of COVID-19 disease all revenue collections had come down sharply with the closure of lottery sales, liquor shops and decrease in GST revenues. A major portion of the revenue collected are utilized for preventing the spread of the pandemic COVID-19 disease. Additional revenue mobilization is necessary to overcome this situation. For getting additional revenue, it has become imperative to make an increase in the rate of sales tax on sale of foreign liquor such as bottled wine, bottled foreign liquor other than wine imported from outside the country for beer etc. and to make consequential amendment in the Kerala General Sales Tax Act, 1963 (15 of 1963).

3. As the Legislative Assembly of the State of Kerala was not in session and the above proposal had to be given effect to immediately, the Kerala General Sales Tax (Amendment) Ordinance, 2020 was promulgated by the Governor of Kerala on the 15th day of May, 2020 and the same was published as Ordinance No. 33 of 2020 in the Kerala Gazette Extraordinary No. 1197 dated 16th May, 2020.

4. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by, the Legislative Assembly of the State of Kerala during its session which was convened on the 24th day of August, 2020.

5. As the provisions of the said Ordinance are to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Governor of Kerala promulgated the Kerala General Sales Tax (Amendment) Ordinance, 2020 (48 of 2020) on the 26th day of September, 2020 and the same was published in the Kerala Gazette Extra ordinary No. 2213 dated 29th September, 2020.

6. Though a Bill to replace the said Ordinance by an Act of the State Legislature was published as Bill No. 276 of the Fourteenth Kerala Legislative Assembly the same could not be introduced in, and passed by the Legislative Assembly of the State of Kerala during its session which commenced on the 8th day of January, 2021 and ended on the 22nd day of January, 2021.

7. As the provisions of the said Ordinances are to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Governor of Kerala promulgated the Kerala General Sales Tax (Amendment) Ordinance, 2021 on the 9th day of February, 2021 and the same was published as Ordinance No. 18 of 2021 in the Kerala Gazette Extraordinary No. 655 dated 10th day of February, 2021.

8. A Bill to replace the said Ordinance by an Act of the State Legislature could not be introduced in, and passed by, the Legislative Assembly of the State of Kerala during its session which commenced on the 24th day of May, 2021 and ended on the 10th day of June, 2021.

9. As the provisions of the said Ordinances are to be kept alive and the Legislative Assembly of the State of Kerala was not in session, the Governor of Kerala promulgated the Kerala General Sales Tax (Amendment) Ordinance, 2021 on the 1st day of July, 2021 and the same was published as Ordinance No. 60 of 2021 in the Kerala Gazette Extraordinary No. 1929 dated 2nd day of July, 2021.

10. The Bill seeks to replace Ordinance No. 60 of 2021 by an Act of the State Legislature.

### FINANCIAL MEMORANDUM

The Bill if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

K. N. BALAGOPAL.

