

EXTRAORDINARY

REGD NO. JK-33



**THE
JAMMU AND KASHMIR OFFICIAL GAZETTE**

Vol. 139] Srinagar, Sat., the 26th Sept., 2026/4th Asv., 1948. [No. 26-3

Separate paging is given to this part in order that it may be filed
as a separate compilation.

PART III

Laws, Regulations and Rules passed thereunder.

JAMMU AND KASHMIR LEGISLATIVE ASSEMBLY
SECRETARIAT, SRINAGAR.

Under Rule 64 of the Rules of Procedure and Conduct of Business in the Jammu and Kashmir Legislative Assembly, the following Bill together with the Statement of Objects and Reasons, is published in an extraordinary issue of the Official Gazette.

By order of the Hon'ble Speaker.

Sd/-

MANOJ KUMAR PANDIT,
Secretary.

THE JAMMU AND KASHMIR GOODS AND SERVICES TAX
(AMENDMENT) BILL, 2026

[L. A. Bill No. 12 of 2026]

A Bill to amend the Jammu and Kashmir Goods and Services Tax Act, 2017.

Be it enacted by Legislature of the Union Territory of Jammu and Kashmir in the Seventy-seventh Year of the Republic of India as follows :—

CHAPTER I

Preliminary

1. **Short title and Commencement.**—(1) This Act may be called the Jammu and Kashmir Goods and Services Tax (Amendment) Act, 2026.

(2) Save as otherwise provided in this Act, it shall come into force on such date as the Government may, by notification in the Official Gazette, appoint.

2. **Amendment of Section 2, Act No. V of 2017.**—In Section 2 of the Jammu and Kashmir Goods and Services Tax Act, 2017, (hereinafter referred to as the ‘Principal Act’) :—

- (i) In clause (16), for the words “Central Board of Excise and Customs”, the words “Central Board of Indirect Taxes and Customs” shall be substituted ;
- (ii) In clause (69), in sub clause (f), after the words and figures “article 371”, the words and figures and letter “and article 371J” shall be inserted ;

3. **Amendment of Section 15, Act No. V of 2017.**—In Section 15 of the ‘Principal Act’, in sub-section (3), for clause (b), the following clause shall be substituted, namely :—

“(b) after the supply has been effected, if for such discount, a credit note has been issued by the supplier and input tax credit as is attributable to such discount has been reversed by the recipient of the supply, in accordance with the provisions of Section 34.”

4. Amendment of Section 34, Act No. V of 2017.—In Section 34 of the 'Principle Act', in sub-section (1), after the words "both supplied are found to be deficient", the words, brackets, letter and figures "or where a discount referred to in clause(b) of sub-section (3) of Section 15 is given" shall be inserted.

5. Amendment of Section 54, Act No. V of 2017.—In Section 54 of the 'Principal Act' :—

- (a) in sub-section (6), after the words "supply of goods or services or both", the words, brackets and figures "or of unutilized input tax credit allowed under clause (ii) of the first proviso to sub-section (3)" shall be inserted ;
- (b) in sub-section (14), after the words, brackets and figures "sub-section (5) or sub-section (6)", the words, "other than cases where refund of tax is claimed on account of goods exported out of India with payment of tax," shall be inserted.

6. Amendment of Section 74A, Act No. V of 2017.—In Section 74A of the 'Principal Act', for sub-section (11), the following sub-section shall be substituted, namely :—

"(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax."

STATEMENT OF OBJECTS AND REASONS

The Jammu and Kashmir Goods and Services Tax Act, 2017 (Act No. V of 2017) is proposed to be amended in order to align certain provisions of the Act with the amendments made in the corresponding Central Goods and Services Tax Act, 2017 vide the Finance Act, 2026 and to remove practical difficulties experienced in implementation.

The Bill, *inter alia*, seeks to amend Section 2 of the Act to substitute the expression "Central Board of Excise and Customs" with "Central Board of Indirect Taxes and Customs" in conformity with the nomenclature adopted by the Government of India. It also seeks to amend clause (69) of Section 2 to include a reference to Article 371J of the Constitution of India in the definition of "Local Authority".

The Bill further seeks to amend Section 15 of the Act to simplify the conditions governing post-supply discounts by removing the requirement of linking such discounts with an agreement specifically relatable to relevant invoices and by providing for adjustment through issuance of credit notes under Section 34 where the recipient reverses the corresponding input tax credit.

Consequently, Section 34 of the Act is proposed to be amended to expressly provide for issuance of credit notes in respect of post-supply discounts referred to in clause (b) of sub-section (3) of Section 15.

The Bill also seeks to amend Section 54 of the Act to extend the benefit of provisional refund to cases involving accumulation of input tax credit on account of an inverted duty structure. Further, the amendment proposes to remove the minimum threshold limit for filing refund claims in respect of goods exported out of India on payment of tax, thereby facilitating expeditious processing of export-related refunds.

The Bill further seeks to substitute sub-section (11) of Section 74A of the Act to provide that penalty shall become payable under clause (i) of sub-section (5) of Section 74A where the admitted tax or tax collected from any other person remains unpaid beyond thirty days from the due date of payment.

The proposed amendments are intended to facilitate ease of compliance, improve clarity in the statutory provisions, streamline refund procedures, strengthen tax administration and ensure uniformity with the provisions of the Central Goods and Services Tax law.

Sd/-

**Minister In-Charge,
Finance Department.**

FINANCIAL MEMORANDUM

The proposed Jammu and Kashmir Goods and Services Tax (Amendment) Bill, 2026 does not involve any recurring or non-recurring expenditure from and out of the Consolidated Fund of Jammu and Kashmir.

Sd/-

**Minister In-Charge,
Finance Department.**

RECOMMENDATION OF THE LIEUTENANT GOVERNOR

The Lieutenant Governor has in pursuance of sub-sections (1) & (3) of Section-36 of the Jammu and Kashmir Reorganization Act, 2019 recommended to the Jammu and Kashmir Legislative Assembly, the introduction and consideration of Bill.

Sd/-

MANOJ KUMAR PANDIT,
Secretary.