

Fifteenth Kerala Legislative Assembly

Bill No. 191

**THE KERALA GENERAL SALES TAX
(AMENDMENT) BILL, 2024**

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BILL, 2024**

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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 for the purposes hereinafter appearing;

BE it enacted in the Seventy-fifth 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, 2024.

(2) It shall come into force at once.

2. *Amendment of section 5.*—In section 5, in sub-section (1), in the explanation (b), after the words and symbol “means and includes wine,”, the words and symbols “Horti-wine,” shall be inserted.

3. *Amendment of the schedule.*—In the schedule,—

(a) in serial number 2, under the heading “Foreign Liquor”, in the item (iv), after the word “Wine”, the words and symbol “including horti-wine” shall be inserted;

(b) after the explanation (i), the following shall be inserted, namely:—

“(ia) “Horti-wine” shall have the same meaning as assigned to it in clause (g) of rule 2 of the Kerala Small Scale Winery (for production of horti-wine from tropical fruits and agricultural products of Kerala) Rules, 2022.”.

STATEMENT OF OBJECTS AND REASONS

As per G. O.(P) No.136/2022/Taxes dated 25th October, 2022 and published as S.R.O. No.1053/2022 in the Kerala Gazette Extraordinary No.3745 dated 3rd November, 2023, the Government had sanctioned the production of horti-wine from the agricultural products available in the State except cereals. In para 547 of the Budget speech 2023-24 it was declared that the existing tax structure of Indian made wine will be made applicable to the hortiwine to help the farmers in the State. Sales Tax on Foreign Liquor is levied under the Kerala General Sales Tax Act, 1963 (15 of 1963). The Government have decided to fix the sales tax on horti-wine equivalent to the sales tax on Indian-made wine and to make suitable amendments in the Kerala General Sales Tax Act, 1963 (15 of 1963).

The Bill seeks to achieve the above object.

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.

EXTRACT FROM THE RELEVANT PORTIONS OF
THE KERALA GENERAL SALES TAX ACT, 1963
(15 OF 1963)

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5. *Levy of tax on sale of goods.*—(1) Every dealer (other than a casual trader or agent of a non-resident dealer or the Central Government, or Government of Kerala or the Government of any other State or of any Union Territory, or any local authority) whose total turnover for a year is not less than two lakh rupees and every casual trader or agent of a non-resident dealer, the Central Government, the Government of Kerala the Government of any other State or of any Union Territory or any local authority, whatever be its total turnover for the year, shall pay tax on his taxable turnover for that year in respect of goods included in the Schedule at the rate mentioned against such good,—

(a) in respect of aviation turbine fuel, Diesel and Petrol, at the point of sale in the State by an oil company liable to tax under this section, except where the sale is by an oil company to another oil company and at the point of first sale in the State by a dealer liable to tax under this section when the sale is not by an oil company.

(b) in respect of Foreign liquor, at the point of sale by the Kerala State Beverages (Manufacturing and Marketing) Company Limited and at the point of first sale in the State by a dealer liable to tax under this section except where the sale is to the Kerala State Beverages (Manufacturing and Marketing) Corporation Limited.

(c) in respect of other goods included in the Schedule, at the point of first sale in the State by a dealer liable to tax under this section.

Explanation:— For the purposes of this section,—

(a) “Oil Company” means Kochi Refineries Ltd., Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd., Indo-Burma Petroleum Company Ltd., Bharat Petroleum and includes such other company as the Government of Kerala may, by notification in the Gazette, specify in this behalf.

(b) “Foreign liquor” means and includes wine, brandy, champagne, sherry, rum, gin, whisky, beer, cidar, cocoa brandy and all other distilled or spirituous preparations but shall not include medicines and drugs covered by the Kerala Value Added Tax Act, 2003 (30 of 2004)

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THE SCHEDULE

[Section 5(1)]

Goods in respect of which tax is leviable under Section 5

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2 Foreign Liquor

(i) Bottled Wine, imported from outside the country and has suffered duty under the Customs Act, 1962	37
(ii) Bottled Foreign Liquor other than wine, imported from outside the country and has suffered duty under the Customs Act, 1962	115
(iii) Beer not covered under sub-entry (ii) above	116
(iv) Wine not covered under sub-entry (i) above	86
(v) Foreign liquor not covered under sub-entries (i), (ii), (iii) and (iv) above	
(a) for which purchase value incurred is above Rupees 400 per case	251
(b) for which purchase value incurred is upto Rupees 400 per case	241

Explanation:— For the purpose of this Schedule,—

(i) “case” means, 48 bottles of 180 ml. each or 24 bottles of 375 ml. each or 18 bottles of 500ml. each or 12 bottles of 750ml. each or 9 bottles of 1000ml. each or 6 bottles of 1550ml. each;

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