

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.

4. 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.

5. 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.