

Commercial Taxes Department

The Department of Commercial Taxes is the major source of revenue of the Government of Kerala, accounting for 3/4th of its revenues. The Department caters to 1,83,000 traders through 431 offices, including Check Posts, across the state. The critical functions of the Department such as Filing of returns, Payment of Tax, Issue of Statutory Forms, Declaration of Consignments etc. are now fully automated.

HELPLINE SERVICES

- 24*7*365 toll free helpline service : –
- o Toll free No : **1800 - 4254777**
- o Mobile number : **9446505527**
- Clarification of doubts relating to VAT Act and Rules, Check post complaints.
- The helpdesk also provides assistance through e-mail: vathelpline@keralataxes.gov.in

VISION

To ensure effective tax administration by co-ordinating the stakeholders, thereby contributing significantly to the State's development.

MISSION & OBJECTIVE

“To ensure voluntary tax compliance through transparent and simplified procedures; to eliminate corrupt practices and embracing relevant technology for seamless accessibility to services and thereby ensuring trader participation in tax administration”

- To reduce the direct interface between the officials and the trading community.
- To create a user-friendly environment.
- To accelerate tax collection.
- To augment tax compliance
- To minimize corruption.
- Instant service delivery to the stakeholders.

KERALA COMMERCIAL TAXES DEPARTMENT – at a glance

- 1 State Head Quarters.
- 15 Districts Head Quarters.
- 221 Assessment Circles.
- 74 Checkposts.
- 75 Enforcement Squads.
- 16 Investigation Wings.
- 1 Appellate Tribunal.
- Total 4615 Employees.

ACTS ADMINISTERED BY THE DEPARTMENT

- Kerala Value Added Tax Act.
- Kerala General Sales Tax Act.
- Kerala Agricultural Income Tax Act.
- Kerala Money Lenders Act.
- Kerala Tax on Luxuries Act

- Kerala Tax on Paper Lotteries Act
- Kerala Surcharge on Taxes Act
- Central sales Tax Act

WHY e-GOVERNANCE IN TAX ADMINISTRATION?

- For an efficient & transparent tax administration.
- Streamline and integrate the functioning of the department.
- Promote voluntary compliance.
- Expand the tax payer's base.
- Redefine the officials & dealer interface
- Enhance service quality.

e-GOVERNANCE IN TAX ADMINISTRATION

- High potential to improve performance and efficiency.
- Centralized architecture with decentralized operations.
- High level of internet penetration in the State
- Web based software enabling services in electronic form.
- Robust Hardware and Network Infrastructure for offices
- State Data Centre hosting Servers.
- KSWAN connectivity to all Districts up to block level.
- Leased Line for last mile connectivity.
- State of the Art regional training centres for training staff & Dealers.

KERALA VALUE ADDED TAX INFORMATION SYSTEM (KVATIS)

- Application Software for the administration of VAT.
- Internet & Intranet versions.
- Intranet application - accessible only to the employees of the Department, through WAN.
- Internet application - accessible to all registered dealers & transporters.
- www.keralataxes.gov.in is the Internet gateway.

DEALER TASKS – BEFORE e-GOVERNANCE

- Prepare separate return forms for VAT, CST and KGST.
- Tabulating IPT/OPT/ Reverse tax /Special Rebate & Net tax Payable.
- Visit CTD office
 - o To receive Chalan
 - o To get signature of CTD officer / filing quadruplicate chalan.
 - o To submit return
 - o To collect statutory forms.
 - o Wait in the queue for receiving acknowledgment.
- Visit to Treasury /Bank
 - o To Treasury for affixing office seal on chalan
 - o To bank for remittance and receiving chalan.

OFFICE TASKS – BEFORE ONLINE

- Ensure data entry of return details in KVATIS.
- Verification of data uploaded with manual return.
- Complete return scrutiny in time.
- Maintain large number of voluminous registers.
- Identify return defaulters and issue notice.
- Manual cross verification of Sales / Purchases.
- Dealer wise sorting of Check Post declarations.
- File the Declarations in the assessment records.
- Cross match the Declarations manually.
- Prepare commodity group-wise collection report.
- Monthly reconciliation with treasury.

E-SERVICES AT A GLANCE

- e- Filing of VAT, KGST & CST Returns.
- e- Uploading of Invoices.
- e- Payment of VAT, KGST & CST.
- e- Payment of Advance Tax.
- e- Consignment Declaration.
- Online Downloading of Statutory Forms.
- Online Renewal of Registration.
- Online Uploading of Closing Stock.
- Online filing of Audited Statement.
- Online submission of Registration Application.
- Online submission for salesman permit.
- Online submission for Permit for Exhibition / Exchange Mela.
- Online submission of Compounding Applications.
- Online submission for liability Certificate..
- e- communications– email & sms.
- Online uploading of Statutory Forms received.
- Online Filing of Appeals.

e- FILING OF RETURNS

- 1st State in India to implement 100% e-Filing of VAT returns.
- Commenced on 01-01-2009.
- Mandatory for all registered dealers.
- Facility availed by 1.83 lakhs Registered dealers.
- Integrated VAT, CST & KGST returns.
- System generated annual return.

COMMON SERVICE CENTRES

- Dealers can e-File returns through taxes portal www.keralataxes.gov.in – anytime, anywhere.
- Dealers have the option to utilize Akshaya e-Centers :

- o e-Filing of returns through Akshaya is free of cost.
- o User id and password is issued to Akshaya e-Centers.
- o 1529 Akshaya e-Centers are authorized.
- Trade Organizations / Lawyers & Tax practitioners are also authorized for delivering e-Services.

e- UPLOADING OF INVOICES

- Mandatory upload of Sales / Purchase invoice along with e-Return:
- All dealer-to-dealer transactions :
 - o Invoice No. & date,
 - o Purchaser's/Seller's TIN
 - o Invoice value.
 - o Tax Amount.
- Benefits :
 - o Effective Return Scrutiny.
 - o System builds unaccounted Invoices.
 - o Increased Tax compliance.

e-PAYMENT

- First State in India to implement e-Payment of tax to all registered dealers.
- Another milestone - after achieving 100% e-Filing of returns.
- Commenced on 01-09-2009.
- Caters 1.83 lakh dealers.
- Integration with websites of SBI/SBT.
- Facility to open zero-balance account.
- The trader can remit :
 - o Tax due as per the periodic return.
 - o Advance Tax.
 - o Fee for Renewal of Registration.
- System automatically calculates the tax amount.
- e-Payment can be effected
 - o from dealer's account or
 - o dealer authorized account.
- Real-time tax credit to Government account.

e-PAYMENT OF TAX - ADVANTAGES

- System generates tax due as per the return.
- Automatic Return submission after successful e-Payment.
- Real time Cyber Treasury Receipt from Bank's portal.
- Real time e-Chalan from KCTD's portal.
- The trader can verify the status of e-Payment anytime.
- e-Chalan denotes Bank Reference & Treasury Sequence numbers.
- No Missing chalans and missing credits.
- Credit into Government A/c on the same day.

e-Filing - Dealer perspective

- Simple & Transparent process
- Anytime, anywhere service
- Reduces paperwork
- Avoids office visits
- Instant acknowledgement
- Instant e-Challan
- System generated annual
- return
- Eliminates corruption

e-Filing - Office perspective

- Paperless office
- Scrutiny of returns made easy
- Instant credit of Tax
- Relief from the manual process
- Databank of dealer to dealer transactions
- Refund verification made easy
- Avoids treasury reconciliation

e - Consignment Declaration

- Traders have the option to declare goods under transport well in advance, before it reaches the Check Posts
- Transporting agency or consignor or consignee can Declare
- Prior registration with department is not required Unique token for each consignment
- Commenced on 01-01-2010
- Simple, transparent & eases check post clearance

e - Downloading of Statutory Forms

- Facility for downloading filled up C, E-I, E-II, F & H Forms
- Commenced on 01-01-2010
- Forms can be downloaded only for the Purchase/Sales invoice details uploaded by the dealer, while e-Filing the return
- Forms issue details can be checked from www.keralataxes.gov.in
- Automatic updating to TINXSYS

- Dealers can upload the details of forms received from other States

Stock Inventory

- Mandatory electronic upload of closing stock inventory.
- No suo-moto modification after uploading.
- Transparent
- Ensures regular and proper book keeping
- Easy stock analysis

Audited Statement

- Liability if annual turnover exceeds Rs.60 Lakhs
- Liability determined by the system.
- e-filing of audit report mandatory.
- No suo-moto modification after electronic submission.

- Transparent
- Easy verification of accounts.

SECURITY FEATURES

- KVATIS web application is subject to the audit by STQC (Standardization, Testing & Quality Certification) - a Government of India agency.
- Monetary transactions are secured using VeriSign SSL (Secured Socket Layer) Certification.

TRAINING

- Established 4 regional training centers :
 - o Thiruvananthapuram
 - o Ernakulam
 - o Palakkad
 - o Kozhikode
- Regular and continuous training to staff.
- Training feedbacks are used for improving system.
- Trained System Administrators in all districts.
- Technical Assistance to stake holders at each District

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IMPACT TO THE STAKEHOLDERS:

- Anytime, anywhere service breaking the orthodox concept of time based service.
- The entire process of return filing is simplified and transparent. Only a single return is to be prepared under different Statutes.
- Online interface reduced the consumption of paper and resulting in the protection & conservation of trees as an environmental friendly initiative.
- Since all the returns/payments/renewals/issue of statutory forms etc. are done online, the dealer need not come to the Commercial Tax office except when any defect is detected warranting his explanation. This saves time and cost for compliance.
- By using the e-Payment mode, the trader avoids paying service charges to Banks for issuing Demand Drafts, Cheque clearance etc. He also avoids the need for to complete chalan formalities for payment of tax.
- e-Consignment declaration eases the clearing of consignments at checkpoints. This saves time for waiting in queues at the Check posts.
- 100% of the trader interface is on-line. This makes the services accessible without time and place restrictions.
- e-mail accounts are provided to all registered dealers and department officers as part of the

project free of cost. This facilitates the Department to switch over to electronic means to communicate with Stake holders.

- Reduced corruption, improved efficiency and widened the tax base.
- 100% automated scrutiny of returns.
- Electronic data exchange with TINXSYS.
- Real-time monitoring of Tax collection.
- Real-time Audit by Accountant General
- Consistent growth in tax revenue collection
- Tracing the invoice at each point of value addition
- Tracing VAT from production stage to ultimate consumption
- Cross verification of dealer to dealer transactions for IPT claims
- Tracing of invoice level interstate transactions
- Automated determination of OPT and Net tax due
- Cross verification with check post consignments
- Instant tax credit to Government account.