

## Annexure – I

### Major variations in KGST Act and KVAT Act

*(Reference Paragraph 1.1)*

	KGST Act	KVAT Act
<b>Registration</b>	Specified quantum of turnover for registration of general class of dealers – Rs. 1 lakh.	Specified quantum of turnover for registration of general class of dealers – Rs. 5 lakh.
	Eight digit registration number	Eleven digit registration number. Presumptive Tax payer's Identification Number (PIN) for those dealers who have opted for payment of presumptive tax and Tax payers Identification Number (TIN) for other dealers.
<b>Rate of tax</b>	26 rates ranging from one to 90 <i>per cent</i>	Five rates-Besides VAT specific rates, Act specifies 0.5 <i>per cent</i> and 20 <i>per cent</i> tax for used vehicle and aerated soft drinks excluding soda
<b>Schedules</b>	Five schedules specifying commodity, points of levy and rate of tax. First schedule –single point taxable goods other than declared goods. Second schedule- single point taxable declared goods, third schedule- exempted goods. Fourth schedule- rate of tax on different category of works contract. Fifth schedule- two point taxable goods	Four schedules and a Notified list of Goods taxable at 12.5 <i>per cent</i> . First, second and third schedules lists exempted, one <i>per cent</i> taxable and four <i>per cent</i> taxable commodities respectively. The fourth schedule lists goods under the purview of KGST Act.
<b>Point of levy of tax</b>	Predominantly single point, at the point of first sale. Some commodities are taxable at the point of first or last purchase and some others at the point of first as well as last sale	Provide for levy of tax at appropriate rate at every point of sale (output tax)
<b>Input tax credit</b>	No set off of tax paid on purchase of goods.	Credit of tax paid on the purchase for sale and manufacture from the output tax payable on sale except for medicines and drugs on which tax on MRP is leviable and on purchases by and from presumptive tax or compounded tax dealers

<b>Tax liability</b>	Specified quantum of turnover for general class of dealers – Rs. 2 lakh.	Specified quantum of turnover for general class of dealers – Rs. 10 lakh. Dealers below this limit can also opt to pay tax.
<b>Presumptive tax</b>	No such class of dealers	Dealers who are not importers or first sellers and whose total turnover does not exceed Rs. 50 lakh have the option to pay presumptive tax at the rate of 0.5 <i>per cent</i> of the taxable turnover.
<b>Compounded tax</b>	Dealers of gold or silver ornaments or wares, metal crusher units and work contractors can opt to pay compounded tax in lieu of normal tax	Besides, work contractors and metal crusher units, compounding facility is extended to dealers in cooked food other than bar attached hotel of above three star or club or heritage hotel, dealer who transfers right to use video cassette and importer or manufacturer of medicine and drugs. Dealers of ornaments or wares or articles of gold or silver and platinum group of metals can also opt for compounded tax from 1 July 2006
<b>Assessment</b>	<i>Cent percent</i> assessment	Assessment is deemed to be complete if self assessment return of dealer is found to be in order. Detailed scrutiny conducted in cases selected by audit assessment wing.
<b>Concessions and Exemption</b>	Act empowered Government to grant exemption and reduction from rate prescribed in the schedule even to specified class of dealers through notifications	Act does not empower Government to grant exemption and reduction to specified class of dealers through notifications but government can amend schedule.
<b>Other taxes</b>	Act provided for levy of 15 <i>per cent</i> of sales tax as additional sales tax (AST)	State dispensed with AST but introduced cess and surcharge from April 2008, subject to conditions.
<b>Sales statement</b>	Dealers need not furnish statement of sales along with return.	Dealers should file details of sales made to registered dealers along with periodical return

## Annexure – II

### Deviation from VAT design approved by the EPC

*(Reference Paragraph 6.9.1)*

Sl No	Commodity	Vat Rate	
		Approved by EPC (original)	Adopted by the State
1.	Rubberised coir products other than fiber foam mattress	12.5	0
2.	Accessories of fishnet	12.5	0
3.	Smokeless country oven	12.5	0
4.	Candle	4	0
5.	Clay used for manufacture of bricks and tiles	4	0
6.	Handmade soap, squashes and pickles sold under registered kudumbasree brand	4	0
7.	Printed forms of Court, Electoral Rolls, and PSC applications	4	0
8.	Bamboo, Bamboo ply, cane and its products	4	0
9.	Minor forest produce collected from tribals by Kerala State Scheduled Castes/Scheduled Tribes Development Co-operative Federation Ltd	4	0
10.	Products of Rehabilitation Centre under the Institute of Mental Health and Neuro Sciences (IMHANS), Kozhikode	4	0
11.	Coconut oil (from 1.5.2007)	4	0
12.	Copra (from 1.6.2007)	4	0
13.	Embroidery or zari articles that is to say, imi zari, kasab, saima dabka, chumki, gota sitara, naqsi, kora, glass bead, badia (from 1.7.2006)	4	0
14.	Products manufactured and sold by kudumbasree units under brand name as notified by Government from time to time (from 1.4.2007)	4	0
15.	Recharge coupon	4	0

SI No	Commodity	Vat Rate	
		Approved by EPC (original)	Adopted by the State
16.	Prasadam and sale of goods received as offering from devotees by the Devaswom Board	4	0
17.	Products such as chalk, umbrella and books (binding) manufactured by Kerala Federation of the Blind at the point of sale by them	4	0
18.	Paper bags (from 1.4.2008)	4	0
19.	Food grains (rice & wheat, excluding products)	4	1
20.	Human hair	12.5	4
21.	Fiber foam mattress	12.5	4
22.	Intermediates like bars, rods profiles structures etc., of various metals	12.5	4
23.	Bakery products, confectioneries and fruit products	12.5	4
24.	Bleaching powder of all varieties and descriptions	12.5	4
25.	Desiccated coconut and other coconut products	12.5	4
26.	Dry fruits like figs etc	12.5	4
27.	Handmade soaps at the point of sale by dealers whose annual turnover does not exceed Rs. 2 crore	12.5	4
28.	Tortoise Shell, Whale Bone, Whale Bond Hair, Horns, Antlers, Hooves, Nails, Claws and beaks, unworked or simply prepared but not cut to shape, powder and waste of these products	12.5	4
29.	Jute cum polypropylene coverings	12.5	4
30.	Lemon Grass Oil, Palmrosa Oil, Vetiver Oil, Citronella Oil, Cinnamon Oil, Clove Leaf Oil	12.5	4
31.	Locks, Padlocks and keys (all kinds)	12.5	4

SI No	Commodity	Vat Rate	
		Approved by EPC (original)	Adopted by the State
32.	Nylon rope	12.5	4
33.	Sun glasses and goggles	12.5	4
34.	Other paper products	12.5	4
35.	Plastic water storage tank	12.5	4
36.	Polyster Rope, Polyster Twine	12.5	4
37.	Rexine	12.5	4
38.	Sanitary Towels, Sanitary Napkins, Belt less Napkins and Tampons, Baby Diapers, Baby Nappies and disposable Diapers	12.5	4
39.	Stationery goods like Clipboards, clutch pencil, Date Stamps, Dusters, Index file clips, pockers, office files of all kinds, paper cutter, stamp pad, staplers, stapler pins, gem clips, rubber bands, cello tape, typing eraser, paper punch, Typewriter cleaning brush	12.5	4
40.	Tailoring materials viz. needles, scissors, hooks, buttons, zips, buckles, measuring tape and stick, collar and collar bones, horn buttons, indent hooks and eyes, jean buttons, knitting pins, long stitch kits, MS coated buttons/stars, zip fasteners, zippers, cuff links, crochet hooks	12.5	4
41.	Tools and spare parts such as twist drills, reamers, spanners, screw drivers, files, cutting pliers, hammers, cutters, dies, button bits, tungsten, carbide wear parts, ceramic industrial wear parts and the like other than those specified in the first schedule	12.5	4
42.	Typewriters, typewriter ribbon, correction fluids and spare parts	12.5	4
43.	Garden umbrellas	12.5	4

SI No	Commodity	Vat Rate	
		Approved by EPC (original)	Adopted by the State
44.	Vermicelli, Ada, Semia, Macaroni, noodles, sago and arrowroot powder	12.5	4
45.	Vinegar	12.5	4
46.	Yeast	12.5	4
47.	Compact fluorescent lamp (wef 1.4.2007)	12.5	4
48.	Used motor vehicles upto 23.04.2007	12.5	4
	From 24.04.2007		0.5
49.	Generator (w.e.f. 1.4.2008)	12.5	4
50.	Cashew kernel (from 1.4.2007)	12.5	4
	Cashew kernel including roasted and salted (from 1.4.2008)		
51.	Hangers of all types	12.5	4
52.	Cooked food other than that served in-flight or shipping company for serving in ship or bar attached hotels and star hotels	12.5	4
53.	Tarpaulin including silpaulin (w.e.f. 1.4.2008)	12.5	4