

Kerala VAT Rules & Procedures for Refund through KVATIS

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Office of the Commissioner

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Sub: Kerala Value Added Tax - Refund through KVATIS - Rules & Procedures- Reg:-

As part of the e-Governance initiative in Commercial Taxes Department, it has been decided to introduce online filing of refund applications from 1st April 2013 onwards. This would enable speedy and transparent disposal of refund claims.

Presently, separate forms are prescribed under Kerala Value Added Tax Rules for claiming refund. Form No.21B is for refund of input tax in the case of interstate sales or stock transfer, Form No.21C for claiming refund in the case of export and Form No.21CC for claiming refund of input tax credit remaining unadjusted at the end of the financial year.

While switching over to the electronic mode some process re-engineering in the existing pattern is inevitable and thereby a new Form no.21AA is prescribed hereunder as annexure-I to facilitate online refund. This would be a common online refund application for the following type of claims:

- > Refund against export sales.
- > Refund of IPT in respect of capital goods.
- > Refund of excess input tax credit at the end of the financial year.
- > Refund of excess payment as a result of return revision.
- > Refund of IPT for the stock held during transfer of registration type from PIN to TIN.
- > Refund of tax paid in excess of 4% during interstate stock transfer.

The traders can submit the online refund application in KVATIS from their login. Separate applications have to be submitted for refund claim under different heads. The refund can be claimed only against the invoices uploaded in KVATIS while filing returns. The applicant must select the invoices from KVATIS. But invoice details are not required for submitting the application claiming refund of excess input tax credit at the end of the financial year. The details of statutory forms received from other states uploaded in KVATIS shall also be selected from the details uploaded in KVATIS.

Since the online transfer of funds is not facilitated by the State Treasury Department, credit of the refund amount to the trader's bank account is not possible at present. Therefore the trader shall choose one of the following options while submitting online refund application.

- ? Refund amount can be credited against tax dues in any future return.
- ? Manual Refund.

After submitting the online refund application in KVATIS, the applicant shall download and submit the hard copy of the application before the assessing authority along with documents to prove the claim. After due verification the officer shall allow/reject the claim in KVATIS by a speaking order within 60 days of filing of e-refund application. If the claim is allowed, the officer shall enter the eligible refund amount in KVATIS. If the applicant has opted for the refund amount as credit in any future return, the assessing authority can select the return type and period to which credit is to be allowed and the amount will be automatically reflected in the respective return period. If the dealer has opted for physical refund, the officer has to follow the existing procedures and update order details in KVATIS.

Only refund applications submitted through KVATIS will be accepted in assessment circle from 1st April 2013 onwards.