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Karnataka Value Added Tax Act, 2003

Section 72 - Penalties Relating to Returns and Assessment

5[(1)A dealer who fails to furnish a return or who fails to pay the tax due on any return furnished as required under the Act shall be liable to pay together with any tax or interest due,

4[(a) a penalty of fifty rupees for each day of default and where such default is more than five days, such penalty,-

(i) shall not exceed two hundred and fifty rupees if the tax due is less than the said amount;

(ii) shall be calculated at fifty rupees per day not exceeding the amount of tax due, if the tax due is more than two hundred and fifty rupees; and]

(a) a penalty of fifty rupees for each day of default and where such default is for more than five days, such penalty shall not exceed an amount of two hundred and fifty rupees or equal to the amount of tax due whichever is higher, and

4[(b) a further penalty equal to,-

(i) five percent of the amount of tax due or fifty rupees whichever is higher, if the default is not for more than ten days, and

(ii) ten percent of the tax due, if the default is for more than ten days;]

(2) A dealer who for any prescribed tax period furnishes 17[particulars for preparation of a return or furnishes] a return which understates his liability to tax or overstates his entitlement to a tax credit by more than five per cent of his actual liability to tax, 7[or his actual tax credit, as the case may be] shall after being given the opportunity of showing cause in writing against the imposition of a penalty, be liable to a penalty equal to 6[ten per cent] of the amount of such tax under or overstated.

(3) A dealer who furnishes a return which is incomplete or incorrect in any material particular, 8[as informed in a notice issued to him] shall be liable to a 9[[penalty 11[of] 10[fifty rupees]] for each day the return remains incomplete or incorrect.

(4) In any case where a dealer who has failed to furnish a return has been issued with an assessment showing less than his actual liability to tax and he pays such tax as assessed, such dealer, after being given the opportunity of showing cause in writing against the imposition of a penalty, shall be liable to a 12[penalty 13[of ten per cent]] of the amount of the tax under-assessed.

14[(5) A dealer who fails, within the time specified, to get registered though liable to do so, after being given an opportunity of showing cause in writing against the imposition of a penalty, shall be liable to pay penalty of thirty percent of the amount of tax payable by him as assessed under section 38 or re-assessed under section 39.]

15[(6)] The power to levy the above penalties shall be vested in the prescribed authority to which returns are required to be furnished 16[or the prescribed authority making an assessment or re-assessment]

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1. Substituted for the words "penalty of two hundred rupees" by Karnataka Value Added Tax (Amendment) Act, 2005.

2. Substituted for the words "penalty of" by Karnataka Value Added Tax (Amendment) Act ,2005.

3. Substituted for the words "penalty equal to" by Karnataka Value Added Tax (Amendment) Act ,2005.

4. Inserted by Act 6 of 2007 w.e.f. 1.4.2007.

5. Substituted by Act 6 of 2007 w.e.f. 1.4.2007.

> "(1) A dealer who fails to furnish a return or who fails to pay the tax due on any return furnished as required under Section 35 shall be liable to a [1][penalty not exceeding two hundred rupees] for each day of default in addition to a further penalty of a sum not less than ten per cent but not exceeding fifty per cent of the amount of tax due, together with any tax or interest due."

6. Substituted by Act 4 of 2006 w.e.f. 1.4.2006.

> "twenty per cent"

7. Inserted by Act 10 of 2008 w.e.f 1.8.2008.

8. Inserted by Act 6 of 2007 w.e.f. 1.4.2007.

9. Substituted by Act 6 of 2005 w.e.f. 19.3.2005.

> "2[penalty not exceeding] two hundred rupees"

10. Substituted by Act 4 of 2006 w.e.f. 1.4.2006.

11. Shall be and shall be deemed to have been inserted from the first day of April, 2006 by Act 10 of 2008

12. Substituted by Act 6 of 2005 w.e.f. 19.3.2005.

> "3[penalty not exceeding] to fifty per cent"

13. Substituted by Act 4 of 2006 w.e.f. 1.4.2006.

14. Inserted by Act 6 of 2007 w.e.f. 1.4.2007.

15. Renumbered by Act 6 of 2007 w.e.f. 1.4.2007.

16. shall be and shall always be deemed to have been inserted by Act 4 of 2006 w.e.f. 1.4.2006.

17. Inserted by the Karnataka Value Added Tax (Amendment) Act, 2010 dated 29.03.2010 w.e.f. 01.04.2010.

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