

Government of Kerala notifies General Amnesty Scheme, 2025, and Kerala Amnesty Rules, 2025, for settlement of arrears under pre-GST laws

2 April 2025

The Government of Kerala has notified the **General Amnesty Scheme, 2025**, along with the **Kerala Amnesty Rules, 2025**, for the settlement of arrears under various repealed and existing pre-GST enactments for the periods up to **FY 2017–18**. The scheme provides an opportunity for taxpayers to resolve long-pending tax disputes by offering substantial waivers on interest and penalties.

To ensure robust implementation, the Kerala Amnesty Rules, 2025, lays down a detailed procedure for filing, verification, issuance of settlement certificates, timelines for payment, and appellate remedies.

Key features of the scheme:

Validity: The scheme is effective for three months from 1 April 2025.

Enactments covered:

- Kerala Surcharge on Taxes Act, 1957
- Kerala General Sales Tax Act, 1963
- Kerala Tax on Luxuries Act, 1976 (repealed)
- Kerala Agricultural Income Tax Act, 1991 (repealed)
- Kerala Value Added Tax Act, 2003 (repealed)
- Central Sales Tax Act, 1956.

Eligibility:

- An application can be filed if no appeal/review/revision is pending as on the application date.
- If any appeal, revision, or review is pending before an authority, tribunal, or court on the date of commencement of the scheme, the applicant must file the settlement application, along with the proof of leave to withdraw the appeal granted by the relevant forum.
- In cases where appeals are filed by the government, settlement can be sought based on the original specified order.
- The provisions of this scheme shall not be applicable to any arrears of tax, interest, or penalty payable by a dealer under Section 5(1)(b) and (2) or Section 7 of the Kerala General Sales Tax Act, 1963.

Application for settlement :

- An application to be filed in Form NSTY-I, along with the proof of payment and supporting documents on the Amnesty portal <https://kitis.keralataxes.gov.in/> by **30 June 2025**.
- The payment is to be made through the e-Treasury portal (www.etreasury.kerala.gov.in) by **31 August 2025** (unless under modified orders – then within 90 days of the modified order).
- The failure to pay within the timelines leads to deemed withdrawal of benefit.
- A separate application is required for each specified order.
- Applicants awaiting modified orders can apply without payment, but must pay within 30 days of receiving such order.
- The designated authority has to inform the assessing/appellate/ revisional authority through Form NSTY-II within seven days of receiving the application.
- In case of defects or omissions, an intimation is sent in Form NSTY-VI, and the revised application must be submitted within seven days.
- The refusal of settlement is communicated in Form NSTY-VII and intimated to the authorities via Form NSTY-VIII.

Calculation of settlement amount:

Arrears	Amount payable	Amount waived
Above INR 50,000 – up to INR 10 lakh	30% of arrears of tax	70% of tax + 100% waiver of interest and penalty

INR 10 lakh to INR 10 crore	Admitted tax - 50% of arrears	50% of tax + 100% waiver of interest and penalty
	Disputed tax - 40% of arrears	60% of tax + 100% waiver of interest and penalty
Above INR 10 crore	Admitted tax - 60% of arrears	40% of tax + 100% waiver of interest and penalty
	Disputed tax - 50% of arrears	50% of tax + 100% waiver of interest and penalty

Notes:

- The credit of past payments (post the specified order) is available toward dues.
- The amounts paid under the earlier failed amnesty schemes shall be adjusted.
- The interest accrued at time of payment stands waived.
- No refund will be granted once the payment is made.

Verification and settlement:

- The designated authority must verify applications and issue the final order. Any shortfall in payment must be paid within 30 days of intimation.
- The settlement certificate shall be issued once the payments are verified.

Certificate of settlement:

- The certificate of settlement of arrears shall be issued in Form NSTY-IV.
- An intimation regarding the issuance of such certificate shall be provided in Form NSTY-V within 15 days to the assessing authority.
- Furthermore, if any appeal filed by the state is pending before the appellate authority, revisional authority, tribunal, or any court, such authorities shall also be informed of the issuance of Form NSTY-IV.

Appeals:

- An appeal against rejection or quantum can be filed in Form NSTY-IX within 30 days of order.
- A further extension of 30 days will be available upon sufficient cause.
- The appellate authority has to dispose an appeal within 90 days and issue a decision accordingly.

Revocation of settlement:

- If any material misrepresentation or suppression is found, the settlement certificate (NSTY-IV) can be revoked via Form NSTY-X.
- The authorities have to be informed via Form NSTY-XI.

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