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Separate paging is given to this part in order that it may be filed as a separate compilation.

PART III

Laws, Regulations and Rules passed thereunder.

JAMMU AND KASHMIR LEGISLATIVE ASSEMBLY SECRETARIAT JAMMU / SRINAGAR.

Under Rule 64 of the Rules of Procedure and conduct of Business in the Jammu and Kashmir Legislative Assembly, the following Bill together with the statement of Objects and Reasons, is published in an extra ordinary issue of the Government Gazette.

By order of the Hon'ble Speaker.

Sd/-

MANOJ KUMAR PANDIT,

Secretary.

THE JAMMU AND KASHMIR GOODS AND SERVICES TAX (AMENDMENT) BILL, 2025

[L. A. Bill No. 1 of 2025.]

A Bill to amend the Jammu and Kashmir Goods and Services Tax Act, 2017 (Act No. V of 2017).

Be it enacted by the Legislature of Union Territory of Jammu and Kashmir in the Seventy-sixth Year of Republic of India as follows :—

1. Short title, extent and commencement.— (1) This Act may be called the Jammu and Kashmir Goods and Services Tax (Amendment) Act, 2025.

(2) It shall be deemed to have/come into force on such date as the Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 2, Act No. V of 2017.— In section 2 of the Jammu and Kashmir Goods and Services Tax Act, 2017 (hereinafter referred to as the 'principal Act'),—

(a) in clause (53), for the words "Government of Jammu and Kashmir", the words, "Government of Union Territory of Jammu and Kashmir", shall be substituted.

(b) for clause (61), the following clause shall be substituted, namely :—

"**(61) "Input Service Distributor"** means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20";

(c) after clause (80), the following clauses shall be inserted, namely:—

"(80A) "online gaming" means offering of a game on the internet or an electronic network and includes online money gaming;

(80B) "online money gaming" means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force";

(d) after clause (102), the following clause shall be inserted, namely:—

"(102A) "specified actionable claim" means the actionable claim involved in or by way of—

(i) betting;

(ii) casinos;

(iii) gambling;

(iv) horse racing;

(v) lottery; or

(vi) online money gaming";

(e) in clause (105), the following proviso shall be inserted at the end, namely:—

"Provided that a person who organizes or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims";

(f) after clause (117), the following clause shall be inserted, namely:-

"(117A) "virtual digital asset" shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income-tax Act, 1961."

3. Amendment of section 7, Act No. V of 2017.— In section 7 of the 'principal Act', in sub-section (1), after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 8th day of July, 2017, namely:–

"(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or vice- versa, for cash, deferred payment or other valuable consideration.

Explanation.– For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another;"

4. Amendment of section 9, Act No. V of 2017.— In section 9 of the 'principal Act', in sub-section (1), after the words "alcoholic liquor for human consumption", the words "and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption" shall be inserted.

5. Amendment of section 10, Act No. V of 2017.—In section 10 of the 'principal Act',—

(a) in sub-section (2), in clause (d), the words "goods or" shall be omitted;

(b) in sub-section (2A), in clause (c), the words "goods or" shall be omitted.

(c) in sub-section (5), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

6. Insertion of new section 11A, Act No. V of 2017.—After section 11 of the 'principal Act, the following section shall be inserted, namely:—

"11A. Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.—Notwithstanding anything contained in this Act, if the Government is satisfied that –

(a) a practice was, or is, generally prevalent regarding levy of state tax (including non- levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to, –

(i) state tax, in cases where according to the said practice, state tax was not, or is not being, levied, or

(ii) a higher amount of State tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the state tax payable on such supplies, or, as the case may be, the state tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the state tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice."

7. Amendment of section 13, Act No. V of 2017.—In section 13 of the 'principal Act', in sub-section (3),—

(i) in clause (b), for the words "by the supplier:", the words "by the supplier, in cases where invoice is required to be issued by the supplier; or" shall be substituted;

(ii) after clause (b), the following clause shall be inserted, namely:–

"(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:";

(iii) in the first proviso, after the words, brackets and letter "or clause (b)", the words, brackets and letter "or clause (c)" shall be inserted.

8. Amendment of section 16, Act No. V of 2017.—In section 16 of the 'principal Act',—

(a) in sub-section (2),-

(i) after clause (a), the following clause shall be inserted, namely:–

"(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section37;"

(ii) after clause (b), the following clause shall be inserted, namely:-

"(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not be restricted;"

(iii) in clause (c), the words figures and letter "or section 43A" shall be omitted.

(iv) in the second proviso, for the words "added to his output tax liability, along with interest thereon", the words and figures "paid by him along with interest payable under section 50" shall be substituted;

(v) in the third proviso, after the words "made by him", the words "to the supplier" shall be inserted.

(b) in sub-section (4), for the words and figures, "due date of furnishing of the return under section 39 for the month of September", the words "thirtieth day of November" shall be substituted.

(c) After sub-section (4), with effect from the 8th day of July, 2017, the following sub-sections shall be inserted, namely:–

"(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017- 18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation

of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

(i) filed up to thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration, whichever is later."

9. Amendment of section 17, Act No. V of 2017.— In section 17 of the 'principal Act',—

(a) in sub-section (*3*), in the Explanation, for the words and figure "except those specified in paragraph 5 of the said Schedule", the following shall be substituted, namely:—

"except,—

(i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and

(ii) the value of such activities or transactions as may be prescribed in respect of clause (*a*) of paragraph 8 of the said Schedule.";

(b) in sub-section (5):

(i) after clause (f), the following clause shall be inserted, namely:-

"(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;"

(ii) in clause (i), for the words and figures "sections 74, 129 and 130", the words and figures "section 74 in respect of any period up to Financial Year 2023-24" shall be substituted.

10. Substitution of section for section 20, Act No. V of 2017.—For section 20 of the 'principal Act', the following section shall be substituted, namely: —

"20. Manner of distribution of credit by Input Service Distributor.—(1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input

Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.

(2) The Input Service Distributor shall distribute the credit of State tax or integrated tax charged on invoices received by him, including the credit of State or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) The credit of State tax shall be distributed as State tax or integrated tax and integrated tax as integrated tax or State tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed."

11. Amendment of section 21, Act No. V of 2017.—In section 21 of the 'principal Act', after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

12. Amendment of section 23, Act No. V of 2017.— In section 23 of the 'principal Act', for sub-section (*2*), the following sub- section shall be substituted and shall be deemed to have been substituted with effect from the 8TH day of July, 2017, namely:—

"(2) Notwithstanding anything to the contrary contained in sub- section (*1*) of section 22 or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act".

13. Amendment of section 24, Act No. V of 2017. —In section 24 of the 'principal Act,—

(a) in clause (xi), the word "and" ocurring at the end, shall be omitted;

(b) after clause (xi), the following clause shall be inserted, namely:—

"(xia) every person supplying online money gaming from a place outside India to a person in India; and".

14. Amendment of section 29, Act No. V of 2017.— In section 29 of the 'principal Act', in sub-section (2),—

(a) in clause (b), for the words, "returns for three consecutive tax periods", the words, "the return for a financial year beyond three months from the due date of furnishing the said return" shall be substituted;

(b) in clause (c), for the words, "a continuous period of six months", the words, "such continuous tax period as may be prescribed" shall be substituted.

15. Amendment of section 30, Act No. V of 2017.— In section 30 of the 'principal Act', -

(i) in sub-section (1), —

(a) for the words "the prescribed manner within thirty days from the date of service of the cancellation order:", the words "such manner, within such time and subject to such conditions and restrictions, as may be prescribed." shall be substituted;

(b) the proviso shall be omitted.

(ii) in sub-section (2), after the proviso, the sign full stop (.) at the end shall be substituted by sign colon (:) and thereafter, following proviso shall be inserted, namely: —

"Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.".

16. Amendment of section 31, Act No. V of 2017. —In section 31 of the 'principal Act':-

(ii) in sub-section (3), in clause (f), after the words and figure "of section 9 shall", the words ", within the period as may be prescribed," shall be inserted;

(iii) after clause (g), the following Explanation shall be inserted, namely: –

'**Explanation.—**For the purposes of clause (f), the expression "supplier who is not registered" shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.

17. Amendment of section 34, Act No. V of 2017. —In section 34 of the 'principal Act', in sub-section (2), for the word, "September", the words "the thirtieth day of November" shall be substituted.

18. Amendment of section 35, Act No. V of 2017. — In section 35 of the 'principal Act', -

(a) sub-section (5) shall be omitted.

(b) in sub-section (6), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

19. Amendment of section 37, Act No. V of 2017. — In section 37 of the 'principal Act',-

(a) in sub-section (1), —

(i) after the words, "shall furnish, electronically," the words "subject to such conditions and restrictions and" shall be inserted;

(ii) for the words, "shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed", the words "shall, subject to such conditions and restrictions, within such time and in such manner as may be prescribed, be communicated to the recipient of the said supplies" shall be substituted";

(iii) the first proviso shall be omitted;

(iv) in the second proviso, for the words, Provided further that", the words "Provided that" shall be substituted;

(v) in the third proviso, for the words "provided also that", the words "Provided further that" shall be substituted;

(b) sub-section (2) shall be omitted;

(c) in sub-section (3),—

(i) the words and figures "and which have remained unmatched under section 42 or section 43" shall be omitted;

(ii) in the first proviso, for the words and figures "furnishing of the return under section 39 for the month of September", the words "the thirtieth day of November" shall be substituted;

(d) after sub-section (3), the following sub-sections shall be inserted, namely: -

(i) "(4) A registered person shall not be allowed to furnish the details of outward supplies under sub- section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies under sub-section (1), even if he has not furnished the details of outward supplies for one or more previous tax periods.

(ii) "(5) A registered person shall not be allowed to furnish the details of outward supplies under sub- section (1) for a tax period after the expiry of a period of three years from the due date of furnishing the said details:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies for a tax period under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said details."

20. Substitution of section 38, Act No. V of 2017.— For section 38 of the 'principal Act', the following section shall be substituted, namely :—

"38 Communication of details of inward supplies and input tax credit.— (1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an auto-generated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.

(2) The auto-generated statement under sub- section (1) shall consist of—

(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and

(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37,-

(i) by any registered person within such period of taking registration as may be prescribed; or

(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or

(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or

(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or

(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub- section (12) of section 49 subject to such conditions and restrictions as may be prescribed; or

(vi) by such other class of persons as may be prescribed."

21. Amendment of section 39, Act No. V of 2017.— In section 39 of the 'principal Act',—

(a) for sub-section (3), the following sub-section shall be substituted, namely: –

"(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month."

(b) in sub-section (5), for the word "twenty", the word "thirteen" shall be substituted;

(c) in sub-section (7), for the first proviso, the following proviso shall be substituted, namely:-

"Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, in such form and manner, and within such time, as may be prescribed,-

(a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month; or

(b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.";

(d) in sub-section (9), -

(i) for the words and figures "Subject to the provisions of section 37 and 38, if", the word, "Where" shall be substituted;

(ii) in the proviso, for the words, "the due date for furnishing of return for the month of September or second quarter", the words "the thirtieth day of November" shall be substituted:

(e) in sub-section (10), for the words, "has not been furnished by him", the following shall be substituted, namely: -

"or the details of outward supplies under sub-section (1) of section 37 for the said tax period has not been furnished by him:

Provided that the Government may, on the recommendations of Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods or has not furnished the details of outward supplies under sub-section (1) of section 37 for the said tax period.".

(f) after sub-section (10), the following sub-section shall be inserted, namely:-

"(11) A registered person shall not be allowed to furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return for a tax period, even after the expiry of the said period of three years from the due date of furnishing the said return.".

22. Substitution of section 41, Act No. V of 2017.— For section 41 of the 'principal Act', the following section shall be substituted, namely,—

"41. Availment of input tax credit. — (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to avail the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited to his electronic credit ledger.

(2) The credit of input tax availed by a registered person under sub-section (1) in respect of such supplies of goods or services or both, the tax payable whereon has not been paid by the supplier, shall be reversed along with applicable interest, by the said person in such manner as may be prescribed:

Provided that where the said supplier makes payment of the tax payable in respect of the aforesaid supplies, the said registered person may re-avail the amount of credit reversed by him in such manner as may be prescribed."

23. Omission of sections 42, 43 and 43A, Act No. V of 2017.— Sections 42, 43 and 43A of the 'principal Act', shall be omitted.

24. Substitution of new section for section 44, Act No. V of 2017.— For section 44 of the 'principal Act', the following section shall be substituted, namely:—

> "**44. Annual return.—** (1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self- certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:
>
> Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section:
>
> Provided further that nothing contained in this section shall apply to any department of the Jammu and Kashmir Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor- General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.".
>
> (2) A registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return:
>
> Provided that the Government may, on the recommendations of the Council, by notification, and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish an annual return for a financial year under sub- section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return."

25. Amendment of section 47, Act No. V of 2017.— In section 47 of the 'principal Act', in sub-section (1),-

(a) the words, "or inward" shall be omitted;

(b) the words and figures, "or section 38" shall be omitted;

(c) after the words and figures "section 39 or section 45", the words and figures "or section 52" shall be inserted.

26. Amendment of section 48, Act No. V of 2017.— In section 48 of the 'principal Act', in sub-section (2), the words and figures, "the details of inward supplies under section 38" shall be omitted.

27. Amendment of section 49, Act No. V of 2017.— In section 49 of the 'principal Act',-

(a) in sub-section (2), the words, figures and letter, "or section 43A" shall be omitted;

(b) in sub-section (4), after the words, “subject to such conditions”, the words “ and restrictions” shall be inserted;

(c) in sub-section (8), in clause (c), after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

(d) for sub-section (10), the following sub-section shall be substituted, namely:-

“(10) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for,-

(a) integrated tax, central tax, State tax, Union territory tax or cess; or

(b) integrated tax or State tax of a distinct person as specified in sub- section (4) or , as the case may be, sub-section (5) of section 25,

in such form and manner and subject to such conditions and restrictions as may be prescribed and such transfer shall be deemed to be a refund from the electronic cash ledger under this Act:

Provided that no such transfer under clause(b) shall be allowed if the said registered person has any unpaid liability in his electronic liability register.”;

(e) after sub-section (11), the following sub- section shall be inserted, namely:-

“(12) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, subject to such conditions and restrictions, specify such maximum proportion of output tax liability under this Act or under the Integrated Goods and Services Tax Act, 2017 which may be discharged through the electronic credit ledger by a registered person or a class of registered persons, as may be prescribed.”

28. Amendment of section 50, Act No. V of 2017.— In section 50 of the ‘principal Act,-

(a) in sub-section (1),

(i) for the proviso, the following proviso shall be substituted and shall be deemed to have been substituted with effect from the 8th day of July, 2017, namely:–

"Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger."

(ii) in the proviso, after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

(b) for sub-section (3), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 8th day of July, 2017, namely:—

"(3) Where the input tax credit has been wrongly availed and utilized, the registered person shall pay interest on such input tax credit wrongly availed and utilized, at such rate not exceeding twenty-four per cent as may be notified by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.".

29. Amendment of section 51, Act No. V of 2017.— In section 51 of the 'principal Act', in sub-section (7), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

30. Amendment of section 52, Act No. V of 2017. — In section 52 of the 'principal Act',-

(a) in sub-section (6), in the proviso, for the words "due date for furnishing of statement for the month of September", the words "thirtieth day of November" shall be substituted.

(b) after sub-section (14), the following sub- section shall be inserted, namely:-

"(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement.".

31. Amendment of section 54, Act No. V of 2017.— In section 54 of the Jammu and Kashmir Goods and Services Tax Act,-

(a) in sub-section (1), in the proviso, for the words and figures "the return furnished under section 39 in such", the words "such form and" shall be substituted;

(b) in sub-section (2), for the words "six months", the words "two years" shall be substituted;

(c) in sub-section (3), the second proviso shall be omitted;

(d) in sub-section (6), the words "excluding the amount of input tax credit provisionally accepted," shall be omitted.

(e) in sub-section (10), the words, brackets and figure "under sub-section (3)" shall be omitted;

(f) in the Explanation, in clause (II), after sub-clause (b), the following sub-clause shall be inserted, namely:—

"(ba) in case of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit where a refund of tax paid is available in respect of such supplies themselves, or as the case may be, the inputs or input services used in such supplies, the due date for furnishing of return under section 39 in respect of such supplies;".

(g) after sub-section (14) and before the Explanation, the following sub-section shall be inserted, namely: —

"(15) Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.".

32. Amendment of section 56, Act No. V of 2017.— In section 56 of the 'principal Act', for the words "from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax", the words "for the period of delay beyond sixty days from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed" shall be substituted.

33. Amendment of section 61, Act No. V of 2017.—In section 61 of the 'principal Act', in sub-section (3), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

34. Amendment of section 62, Act No. V of 2017.— In section 62 of the 'principal Act',-

(a) in sub-section (1), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

(b) in sub-section (2),—

(a) for the words "thirty days", the words "sixty days" shall be substituted;

(b) the following proviso shall be inserted, namely:—

"Provided that where the registered person fails to furnish a valid return within sixty days of the service of the assessment order under sub-section (1), he may furnish the same within a further period of sixty days on payment of an additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of the said assessment order and in case he furnishes valid return within such extended period, the said assessment order shall be deemed to have been withdrawn, but the liability to pay interest under sub- section (1) of section 50 or to pay late fee under section 47 shall continue.".

35. Amendment of section 63, Act No. V of 2017. — In section 63 of the 'principal Act', after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

36. Amendment of section 64, Act No. V of 2017.— In section 64 of the 'principal Act', in sub-section (2), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

37. Amendment of section 65, Act No. V of 2017. — In section 65 of the 'principal Act', in sub-section (7), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

38. Amendment of section 66, Act No. V of 2017. — In section 66 of the 'principal Act', in sub-section (6), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

39. Amendment of section 70, Act No. V of 2017.— In section 70 of the 'principal Act', after sub-section (1), the following sub-section shall be inserted, namely: —

"(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required.".

40. Amendment of section 73, Act No. V of 2017.— In section 73 of the 'principal Act', —

(i) in the marginal heading, after the words "Determination of tax", the words and figures, " pertaining to the period upto Financial Year 2023-24" shall be inserted;

(ii) after sub-section (11), the following sub-section shall be inserted, namely:—

"(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24."

41. Amendment of section 74, Act No. V of 2017. —In section 74 of the 'principal Act',-

(i) in the marginal heading, after the words "Determination of tax", the words and figures ", pertaining to the period upto Financial Year 2023-24," shall be inserted;

(ii) after sub-section (11) and before Explanation 1, the following sub-section shall be inserted, namely: —

"(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.";

(iii) in Explanation 1, in clause (ii), for the words and figures "sections 122, 125, 129 and 130", the words and figures "sections 122 and 125" shall be substituted.

(iv) the Explanation 2 shall be omitted.

42. Insertion of new section 74A, Act No V of 2017. —After section 74 of the 'principal Act', 2017, the following section shall be inserted, namely:-

"74A Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards.—(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

(2) The proper officer shall issue the notice under sub- section (1) within forty-two months from the due date for furnishing of annual

return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub- section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilized,—

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub- section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorized by the Commissioner senior in rank to the proper officer but not below the rank of Additional Commissioner of State Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilized for any reason, other than the reason of fraud or any willful- misstatement or suppression of facts to evade tax, may, —

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub- section (1) in respect of such amount which falls short of the amount actually payable.

(11) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

Explanation 1. — For the purpose of this section, —

(i) the expression "all proceedings in respect of the said notice" shall not include proceedings under section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

Explanation 2.— For the purposes of this Act, the expression "suppression" shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.

43. Amendment of section 75, Act No. V of 2017.—In section 75 of the 'principal Act',-

(a) in sub-section (1), after the word and figures "section 74", the words, brackets, figures and letter "or sub-sections (2) and (7) of section 74A" shall be inserted;

(b) after sub-section (2), the following sub-section shall be inserted, namely: —

"(2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause (ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any wilful- misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A.";

(c) for sub-section (10), the following sub-section shall be substituted, namely: —

"(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A.";

(d) in sub-section (11), after the word and figures "section 74", the words, brackets, figures and letter "or sub- section (7) of section

74A" shall be inserted;

(e) in sub-section (12), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74 A" shall be inserted;

(f) in sub-section (12), the following Explanation shall be inserted, namely: —

Explanation.—For the purposes of this sub-section, the expression "self-assessed tax" shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.'

(g) in sub-section (13), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74 A" shall be inserted.

44. Amendment of section 83, Act No. V of 2017.—In section 83 of the 'principal Act', for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, attach provisionally, any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of section 122, in such manner as may be prescribed.".

45. Amendment of section 104, Act No. V of 2017.— In section 104 of the 'principal Act', in sub-section (1), in the Explanation, after the word and figures "section 74", the words, brackets, figures and letter "or sub-sections (2) and (7) of section 74A" shall be inserted.

46. Amendment of section 107, Act No. V of 2017. — In section 107 of the 'principal Act,-

(a) in sub-section (6),

(i) in clause (b), for the word "twenty- five", the word "twenty" shall be substituted;

(ii) the following proviso shall be inserted, namely:—

"Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of the penalty has been paid by the appellant.".

(b) in sub-section (11), in the second proviso, after the words and figures "section 73 or section 74", the words, figures and letter "or section 74 A" shall be inserted.

47. Substitution of new section for section 109, Act No. V of 2017.—For section 109 of the 'principal Act', the following section shall be substituted, namely:—

> **"109. Constitution of Appellate Tribunal and Benches thereof**.— Subject to the provisions of this Chapter, the Goods and Services Tax Appellate Tribunal constituted under the Central Goods and Services Tax Act, 2017 shall be the Appellate Tribunal for hearing appeals against the order passed by the Appellate Authority or the Revisional Authority or for conducting an examination or adjudicating the cases referred to in sub-section (2) of section 171, if so notified under the said section, under this Act."

48. Deletion of section 110, Act No. V of 2017.— Section 110 of the 'principal Act', shall be omitted.

49. Amendment of section 112, Act No. V of 2017.— In section 112 of the 'principal Act', —

(a) with effect from the 1st day of August, 2024, in sub- section (1), after the words "from the date on which the order sought to be appealed against is communicated to the person preferring the appeal", the words "; or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later." shall be inserted;

(b) with effect from the 1st day of August, 2024, in sub- section (3), after the words "from the date on which the said order has been passed", the words "; or the date, as may be notified by the Government, on the recommendations of the Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later," shall be inserted;

(c) in sub-section (6), after the words, brackets and figure "after the expiry of the period referred to in sub-section (1)", the words, brackets and figure "or permit the filing of an application within three months after the expiry of the period referred to in sub-section (3)" shall be inserted;

(d) in sub-section (8), in clause (b),—

  (i) for the words "twenty per cent.", the words "ten per cent." shall be substituted;

  (ii) for the words "fifty crore rupees", the words "twenty crore rupees" shall be substituted.

50. Deletion of section 114, Act No. V of 2017.— Section 114 of the 'principal Act'Act, shall be omitted.

51. Amendment of section 117, Act No. V of 2017.— In section 117 of the 'principal Act',—

(a) in sub-section (1), for the words "State Bench or Area Benches", the words "State Benches" shall be substituted;

(b) in sub-section (5), in clauses (a) and (b), for the words "State Bench or Area Benches", the words "State Benches" shall be substituted.

52. Amendment of section 118, Act No. V of 2017.— In section 118 of the 'principal Act', for sub-section (1), the following sub section shall be substituted, namely:-

"(1) An appeal shall lie to the Supreme Court-

(a) from any order passed by the Principal Bench of the Appellate Tribunal; or

(b) from any judgment or order passed by the High Court in an appeal made under section 117 in any case which, on its own motion or on an application made by or on behalf of the party aggrieved, immediately after passing of the judgment or order, the High Court certifies to be a fit one for appeal to the Supreme Court.''

53. Amendment of section 119, Act No. V of 2017.— In section 119 of the 'principal Act',-

(a) for the words "National or Regional Benches", the words "Principal Bench'' shall be substituted.

(b) for the words "State Bench or Area Benches", the words "State Benches" shall be substituted.

54. Amendment of section 122, Act No. V of 2017.— In section 122 of the 'principal Act', after sub-section (1A), with effect from the 1st day of October, 2023, the following sub-section (1B) shall be inserted, namely:—

"(1B) Any electronic commerce operator, who is liable to collect tax at source under section 52—

(i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;

(ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or

(iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act;

shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.".

55. Insertion of new section 122A, Act No. V of 2017.—After section 122 of the 'principal Act', the following section shall be inserted, namely :—

"**122A. Penalty for failure to register certain machines used in manufacture of goods as per special procedure.—**(1) Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.

(2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where—

(a) the penalty so imposed is paid, and

(b) the registration of such machine is made in accordance with the special procedure within three days of the receipt of communication of the order of penalty.".

56. Amendment of section 127, Act No. V of 2017.—In section 127 of the 'principal Act', after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

57. Insertion of new section 128A, Act No. V of 2017.— After section 128 of the 'principal Act', the following section shall be inserted, namely :—

"**128A. Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax periods**.—(1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with,—

(a) a notice issued under sub-section (1) of section 73 or a statement issued under sub-section (3) of section 73, and where no order under sub-section (9) of section 73 has been issued; or

(b) an order passed under sub-section (9) of section 73, and where no order under sub-section (11) of section 107 or sub-section (1) of section 108 has been passed; or

(c) an order passed under sub-section (11) of section 107 or sub-section (1) of section 108, and where no order under sub-section (1) of section 113 has been passed, pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof, and the said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be, on or before the date, as may be notified by the Government on the recommendations of the Council, no interest under section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed:

Provided that where a notice has been issued under sub- section (1) of section 74, and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court in accordance with the provisions of sub-section (2) of section 75, the said notice or order shall be considered to be a notice or order, as the case may be, referred to in clause or clause (b) of this sub-section:

Provided further that the conclusion of the proceedings under this sub-section, in cases where an application is filed under sub-section (3) of section 107 or under sub-section (3) of section 112 or an appeal is filed by an officer of state tax under sub-section (1) of section 117 or under sub-section (1) of section 118 or where any proceedings are initiated under sub-section (1) of section 108, against an order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the court or the Revisional Authority, as the case may be, within three months from the date of the said order:

Provided also that where such interest and penalty has already been paid, no refund of the same shall be available.

(2) Nothing contained in sub-section (1) shall be applicable in respect of any amount payable by the person on account of erroneous refund.

(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before Appellate Authority or Appellate Tribunal or a court, as the case may be, and has not been withdrawn by the said person on or before the date notified under sub-section (1).

(4) Notwithstanding anything contained in this Act, where any amount specified under sub-section (1) has been paid and the proceedings are deemed to be concluded under the said sub-section, no appeal under sub-section (1) of section 107 or sub-section (1) of section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be.".

58. Amendment of section 129, Act No. V of 2017.— In section 129 of the 'principal Act',–

(i) in sub-section (1), for clauses (a) and (b), the following clauses shall be substituted, namely:–

(a) on payment of penalty equal to two hundred per cent. of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such penalty;

(b) on payment of penalty equal to fifty per cent. of the value of the goods or two hundred per cent. of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to five per cent. of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty;";

(ii) sub-section (2) shall be omitted;

(iii) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) The proper officer detaining or seizing goods or conveyance shall issue a notice within seven days of such detention or seizure, specifying the penalty payable, and thereafter, pass an order within a period of seven days from the date of service of such notice, for payment of penalty under clause (a) or clause (b) of sub-section (1).";

(iv) in sub-section (4), for the words "No tax, interest or penalty", the words "No penalty" shall be substituted;

(v) for sub-section (6), the following sub-section shall be substituted, namely:—

"(6) Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty under sub-section (1) within fifteen days from the date of receipt of the copy of the order passed under sub-section (3), the goods or conveyance so detained or seized shall be liable to be sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable under sub-section (3):

Provided that the conveyance shall be released on payment by the transporter of penalty under sub-section (3) or one lakh rupees, whichever is less:

Provided further that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of fifteen days may be reduced by the proper officer.".

59. Amendment of section 130, Act No. V of 2017.— In section 130 of the 'principal Act',—

(a) in sub-section (1), for the words "Notwithstanding anything contained in this Act, if ", the word "Where" shall be substituted;

(b) in sub-section (2), in the second proviso, for the words, brackets and figures "amount of penalty leviable under sub-section (1) of section 129", the words "penalty equal to hundred per cent. of the tax payable on such goods" shall be substituted;

(c) sub-section (3) shall be omitted.

60. Amendment of section 132, Act No. V of 2017.— In section 132 of the 'principal Act', in sub-section (1),—

(a) clauses (g), (j) and (k) shall be omitted;

(b) in clause (l), for the words, brackets and letters "clauses (a) to (k)", the words, brackets and letters "clauses (a) to (f) and clauses (h) and (i)" shall be substituted;

(c) in clause (l), sub-clause (iii), for the words "any other offence", the words, brackets and letter" an offence specified in clause (b)," shall be substituted;

(d) in clause (l), sub-clause (iv), the words, brackets and letters "or clause (g) or clause (j)" shall be omitted.

61. Amendment of section 138, Act No. V of 2017.—In section 138 of the 'principal Act',—

(a) in sub-section (1), in the first proviso,—

(i) for clause (a), the following clause shall be substituted, namely:—

"(a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f), (h), (i) and (l) of sub-section (1) of section 132;";

(ii) clause (b) shall be omitted;

(iii) for clause (c), the following clause shall be substituted, namely:—

"(c) a person who has been accused of committing an offence under clause (b) of sub-section (1) of section 132;";

(iv) clause (e) shall be omitted;

(b) in sub-section (2), for the words "ten thousand rupees or fifty per cent of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent of the tax, whichever is higher", the words "twenty-five per cent of the tax involved and the maximum amount not being more than one hundred per cent of the tax involved" shall be substituted.

62. Amendment of section 140, Act No. V of 2017.— In section 140 of 'principal Act', with effect from the 8th day of July, 2017, in sub- section (7), for the words "even if the invoices relating to such services are received on or after the appointed day", the words "whether the invoices relating to such services are received prior to, on or after, the appointed day" shall be substituted.

63. Substitution of new section for section 151, Act No. V of 2017.— For section 151 of the 'principal Act', the following section shall be substituted, namely:–

"151. Power to call for information.—The Commissioner or an officer authorized by him may, by an order, direct any person to furnish information relating to any matter dealt with in connection with this Act, within such time, in such form, and in such manner, as may be specified therein.".

64. Amendment of section 152, Act No. V of 2017.—In section 152 of the 'principal Act',—

(a) in sub-section(1),—

(i) the words "of any individual return or part thereof" shall be omitted;

(ii) after the words "any proceedings under this Act", the words "without giving an opportunity of being heard to the person concerned" shall be inserted;

(b) sub-section (2) shall be omitted.

65. Insertion of new section 158A, Act No. V of 2017.— After section 158 of the 'principal Act', the following section shall be inserted, namely:—

"158A. Consent based sharing of information furnished by taxable person.—(1) Notwithstanding anything contained in sections 133, 152 and 158, the following details furnished by a registered person may, subject to the provisions of sub-section (2), and on the recommendations of the Council, be shared by the common portal with such other systems as may be notified by the Government, in such manner and subject to such conditions as may be prescribed, namely:—

(a) particulars furnished in the application for registration under section 25 or in the return filed under section 39 or under section 44;

(b) the particulars uploaded on the common portal for preparation of invoice, the details of outward supplies furnished under section 37 and the particulars uploaded on the common portal for generation of documents under section 68;

(c) such other details as may be prescribed.

(2) For the purposes of sharing details under sub-section (1), the consent shall be obtained, of—

(a) the supplier, in respect of details furnished under clauses (a), (b) and (c) of sub-section (1); and

(b) the recipient, in respect of details furnished under clause (b) of sub- section (1), and under clause (c) of sub-section (1) only where such details include identity information of the recipient,

in such form and manner as may be prescribed.

(3) Notwithstanding anything contained in any law for the time being in force, no action shall lie against the Government or the common portal with respect to any liability arising consequent to information shared under this section and there shall be no impact on the liability to pay tax on the relevant supply or as per the relevant return.".

66. Amendment of section 171, Act No. V of 2017.— In section 171 of the 'principal Act',—

(a) in sub-section (2), the following proviso and Explanation shall be inserted, namely: —

'Provided that the Government may by notification, on the recommendations of the Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

Explanation.— For the purposes of this sub-section, "request for examination" shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.';

(b) the Explanation shall be renumbered as Explanation 1 thereof, and after Explanation 1 as so renumbered, the Explanation shall be inserted, namely: —

Explanation 2.— For the purposes of this section, the expression "Authority" shall include the "Appellate Tribunal".'.

67. Amendment of notification issued under section 146 of Jammu and Kashmir Goods and Services Tax Act, 2017 read with section 20 of Integrated Goods and Services Tax Act, 2017 retrospectively, Act No. V of 2017.— (1) The notification of the Finance Department, Government of Jammu and Kashmir issued vide SRO 37 dated 23rd of January,2018, issued by the Government on the recommendations of the Council, under section 146 of the Jammu and Kashmir Goods and Services Tax Act, 2017 read with section 20 of the Integrated Goods and Services Tax Act, 2017, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the First Schedule, on and from the date specified in column (3) of that Schedule.

(2) For the purposes of sub-section (1), the Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Government had the power to amend the said notification under section 146 of the Jammu and Kashmir Goods and Services Tax Act, 2017 read with section 20 of the Integrated Goods and Services Tax Act, 2017, retrospectively, at all material times.

68. Amendment of notification issued under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of Jammu and Kashmir Goods and Services Tax Act, retrospectively, Act No. V of 2017.— (1) The notification of the Finance Department Government of Jammu and Kashmir number SRO 300 dated 18th July 2017 on the recommendations of the Council, under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Jammu and Kashmir Goods and Services Tax Act, 2017,shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Second Schedule, on and from the date specified in column (3) of that Schedule.

(2) For the purposes of sub-section (1), the Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Government had the power to amend the said notification under sub- sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Jammu and Kashmir Goods and Services Tax Act, 2017, retrospectively, at all material times.

69. Retrospective exemption from, or levy or collection of, State tax in certain cases, Act No. V of 2017.— (1) Notwithstanding anything contained in the notification of the Finance Department, Government of Jammu and Kashmir number SRO-GST-1 dated the 8th July, 2017 issued by the Government, on the recommendations of the Council, in exercise of the powers under sub- section (1) of section 9 of the Jammu and Kashmir Goods and Services Tax Act, 2017, no State tax shall be levied or collected in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period commencing from the 8th day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive).

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub- section (1) been in force at all material times.

70. Retrospective effect to notification issued under sub- section (2) of section 7 of Jammu and Kashmir Goods and Services Tax Act, 2017, Act No. V of 2017.— (1) Subject to the provisions of sub- section (2), the notification of the Finance Department, Government of Jammu and Kashmir issued vide S.O 631 dated the 22nd October, 2019 issued by the Government, on the recommendations of the Council, in exercise of the powers under sub-section (2) of section 7 of the Jammu and Kashmir Goods and Services Tax Act, 2017, shall be deemed to have, and always to have, for all purposes, come into force on and from the 8th day of July, 2017.

(2) No refund shall be made of all such State tax which has been collected, but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times.

71. Amendment to Schedule II.— In Schedule II of the Jammu and Kashmir Goods and Services Tax Act, paragraph 7 shall be omitted and shall be deemed to have been omitted with effect from the 8th day of July,2017.

72. Amendment to Schedule III, Act No. V of 2017.— In Schedule III of the Jammu and Kashmir Goods and Services Tax Act,-

(a) In the Jammu and Kashmir Goods and Services Tax Act, in Schedule III, in paragraph 6, for the words "lottery, betting and gambling" the words "specified actionable claims" shall be substituted.

(b) Retrospective exemption to certain activities and transactions in Schedule III to the Jammu and Kashmir Goods and Services Tax Act, 2017, Act No. V of 2017.—

(1) In Schedule III of the Jammu and Kashmir Goods and Services Tax Act, 2017, the paragraphs 7 and 8 and the Explanation 2 thereof (as inserted vide the Jammu and Kashmir Reorganization(Adaptation of State Laws) Third Order, 2020 issued vide S.O 3466(E) Dated 5th of October, 2020) shall be deemed to have been inserted therein with effect from the 8th day of July, 2017.

(2) No refund shall be made of all the tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

(c) In Schedule III, after paragraph 8 and before Explanation 1, the following paragraphs shall be inserted, namely: —

"9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union Territory tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union Territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.".

73. Transitory provision, Act No. V of 2017.— The amendments made under this Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casino, gambling, horse racing, lottery or online gaming.

74. No refund of tax paid or input tax credit reversed.— No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had section 8 been in force at all material times.

THE FIRST SCHEDULE

[See Clause 45(1)]

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
SRO 37, dated the 23rd January, 2018	In the said notification, in paragraph 1, for the words "furnishing of returns and computation and settlement of integrated tax", the following shall be substituted, namely: — "furnishing of returns and computation and settlement of integrated tax and save as otherwise provided in the notification number SRO-38/2020 Dt. 29th January, 2020, all functions provided under the Jammu and Kashmir Goods and Services Tax Rules, 2017.".	8th July, 2017.

THE SECOND SCHEDULE

[See section 46(1)]

Notification number and date	**Amendment**	**Date of effect of amendment**
(1)	(2)	(3)
SRO 300, dated the 18th July, 2017	In the said notification, in the Table, against serial number 2, in column (3), for the figures "24", the figures "18" shall be substituted.	8th July, 2017.

STATEMENT OF OBJECTS AND REASONS

The object of the Bill is to give effect to carry out the amendments in the Jammu and Kashmir Goods and Services Tax Act, 2017 in order to align it with the Central Goods and Services Tax Act, 2017.

The notes on clauses explain the various provisions contained in the Amendment Bill.

NOTES ON CLAUSES

Clause (1) It relates to the Short title, extent and commencement of the Jammu and Kashmir Goods and Services Tax (Amendment) Act, 2023.

Clause (2) seeks to amend Section 2.—

(a) amend the definition under clause (53) by substituting the words, ‘‘Government of Jammu and Kashmir’’ as the “Government of Union Territory of Jammu and Kashmir”

(b) seeks to amend the Section2 by substituting the clause 61, the definition of ISD. It is defined as an office of a supplier of goods or services or both receiving tax invoices towards the receipt of input services on behalf of distinct persons referred to in section 25.

(c) define the expressions "online gaming", "online money gaming", "specified actionable claim "and" virtual digital asset";

(d) insert a proviso in the definition of "supplier" to provide clarity regarding "supplier" in case of supply of "specified actionable claim"; so as to clarify taxability of Casinos, Horse Racing and Online Gaming.

Clause (3) seeks to insert a new clause (aa) in sub-section (1) of section 7 of the Jammu and Kashmir Goods and Services Tax Act, 2017, retrospectively with effect from the 8th July, 2017, so as to ensure levy of tax on activities or transactions involving supply of goods or services by any person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration.

Clause (4) seeks to amend sub-section (1) of section 9 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to not to levy state tax on un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption.

Clause (5) seeks to amend clause (d) of sub-section (2) and clause (c) of sub-section (2A) in section 10 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the Composition Levy.

Further seeks to make consequential amendments in sub-section (*5*) of section 10 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A in the said sub-section.

Clause (6) seeks to insert a new section 11A in the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to empower the Government to regularise non-levy or short levy of state tax where it is satisfied that such non-levy or short levy was a result of general practice prevalent in trade.

Clause (7) seeks to amend sub-section (3) of section 13 of the Jammu and Kashmir Goods and Services Tax Act,2017 so as to specify the time of supply of services in cases where the invoice is required to be issued by the recipient of services in reverse charge supplies.

Clause (8) seeks to amend sub-section (2) of the section 16 of the Jammu and Kashmir Goods and Services Tax Act, 2017 by inserting a new clause (aa) after clause (a), so as to provide that input tax credit on invoice or debit note may be availed only when the details of such invoice or debit note have been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note.

It also seeks to amend sub-section (2) by inserting a new clause (ba) after clause (b), so as to provide that input tax credit with respect to a supply may be availed only when such credit has not been restricted in the details communicated to the registered person under section 38.

It also seeks to amend second and third provisos to sub- section (2) of said section to align the said sub-section with the return filing system provided in the Act.

It further seeks to amend sub-section (4) of said section so as to provide that a registered person shall not be entitled to take input tax credit in respect of any invoice or debit note after the thirtieth day of November following the end of the financial year to which such invoice or debit note pertains, or furnishing of the relevant annual return, whichever is earlier.

It seeks to insert a new sub-section (5) in section 16 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to carve out an exception to the existing sub-section (4) and to provide that in respect of an invoice or debit note for the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the thirtieth day of November, 2021.

It also proposes to insert a new sub-section (6) in the said section so as to allow the availment of input tax credit in respect of an invoice or debit note in a return filed for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, filed within thirty days of the date of order of revocation of cancellation of registration, subject to the condition that the time-limit for availment of credit in respect of the said invoice or debit note should not have already expired under sub-section (4) of the said section on the date of order of cancellation of registration.

Further, where the tax has been paid or the input tax credit has been reversed, no refund of the same shall be admissible.

Therefore, said amendments are proposed to be made effective from the8th day of July, 2017.

Clause (9) seeks to amend the Explanation to sub- section (3) of section 17 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to restrict availment of input tax credit in respect of certain transactions specified in para 8(a) of Schedule III of the said Act, as may be prescribed, by including the value of such transactions in the value of exempt supply.

Further, sub-section (5) of said section is also being amended so as to provide that input tax credit shall not be available in respect of goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013.

It seeks to amend sub-section (5) of section 17 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to restrict the non-availability of input tax credit in respect of tax paid under section 74 of the said Act only for demands upto Financial Year 2023-24.

It also proposes to remove reference to sections 129 and 130 in the said sub-section.

Clause (10) seeks to substitute the section 20 of the Jammu and Kashmir Goods and Services Tax Act 2017. Manner of Distribution of Credit by Input Service Distributor (ISD). The ISD must follow prescribed rules regarding the distribution method, timing, restrictions, and conditions. Additionally, the credit for State Tax must be distributed as either State tax or integrated tax, and the credit for integrated tax must be distributed as either integrated tax or State tax.

Clause (11) seeks to make consequential amendment in section 21 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A in the said section.

Clause (12) seeks to amend sub-section (1) and sub- section (2) of section 23 of the Jammu and Kashmir Goods and Services Tax Act, 2017, with retrospective effect from 8th July, 2017, so as to provide that persons for compulsory registration in terms of sub-section (1) of section and 22 of the Act need not register if exempt under sub section (1) of section 23.

Clause (13) seeks to insert a new clause in section 24 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to provide for mandatory registration of the person for supplying online money gaming, from a place outside India to a person in India.

Clause (14) seeks to amend clause (b) of sub-section (2) of section 29 of the Jammu and Kashmir Goods and Services Tax Act so as to provide that the registration of a person paying tax under section 10 is liable to be cancelled if the return for a financial year has not been furnished beyond three months from the due date of furnishing of the said return.

It further seeks to amend clause (c) of the said sub- section (2) so as to provide for prescribing continuous tax periods for which return has not been furnished, which would make a registration liable for cancellation, in respect of any registered person, other than a person specified in clause (b) thereof.

Clause (15) seeks to amend section 30 of the Jammu and Kashmir Goods and Services Tax Act, 2017, now any registered person, whose registrations is cancelled by Proper Officer on his own motion, may apply to such officer for revocation of cancellation of registration in such manner, within such time and subject to such conditions and restrictions, as may be prescribed.

It also seeks to insert a new proviso in sub-section (2) of section 30 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to empower the State Government to prescribe conditions and restrictions for revocation of cancellation of registration.

Clause (16) seeks to amend clause (f) of sub-section (3) of section 31 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to empower the State Government to prescribe the time period for issuance of invoice by the recipient in case of reverse charge mechanism supplies by rules.

It also proposes to insert an Explanation in sub-section (3) of the said section so as to specify that a supplier registered solely for the purposes of tax deduction at source under section 51 of the said Act shall not be considered as a registered person for the purpose of clause (f) of sub-section (3) of section 31 of the said Act.

Clause (17) seeks to amend sub-section (2) of section 34 of the Jammu and Kashmir Goods and Services Tax Act so as to provide for thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date for issuance of credit notes in respect of any supply made in a financial year.

Clause (18) seeks to amend section 35 of the Jammu and Kashmir Goods and Services Tax Act, 2017 by omitting sub-section (5) so as to remove the mandatory requirement of getting annual accounts audited and reconciliation statement submitted by specified professional.

It seeks to make consequential amendment in sub-section (6) of section 35 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

Clause (19) seeks to amend sub-section (1) of section 37 of the Jammu and Kashmir Goods and Services Tax Act so as to provide for prescribing conditions and restrictions for furnishing the details of outward supply and the conditions and restrictions as well as manner and time for communication of the details of such outward supplies to concerned recipients.

It further seeks to omit sub-section (2) and first proviso to sub-section (1) of said section so as to do away with two-way communication process in return filing.

It also seeks to amend sub-section (3) of said section so as to remove reference to unmatched details under section 42 or section 43, as the said sections are proposed to be omitted, and to provide for thirtieth day of November following the end of the financial year or furnishing of the relevant annual return, whichever is earlier, as the last date for rectification of errors or omission in respect of details of outward supplies furnished under sub-section (1).

It also seeks to insert sub-section (4) so as to provide for tax period-wise sequential filing of details of outward supplies under sub-section (1).

It further seeks to amend by inserting a new sub-section (5), so as to provide a time limit upto which the details of outward supplies under sub- section (1) of the said section for a tax period can be furnished by a registered person. Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for a registered person or a class of registered persons.

Clause (20) seeks to substitute a new section for section 38 of the Jammu and Kashmir Goods and Services Tax Act. Sub section (1) seeks to provide for prescribing such other supplies as well as the manner, time, conditions and restrictions for communication of details of inward supplies and input tax credit to the recipient by means of an auto-generated statement and to do away with two-way communication process in return filing.

Sub-section (2) of said section seeks to provide for the details of inward supplies in respect of which input tax credit may be availed and the details of supplies on which input tax credit cannot be availed by the recipient.

Clause (21) seeks to substitute sub-section (3) of section 39 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to mandate the electronic furnishing of return for each month by the registered person required to deduct tax at source, irrespective of whether any deduction has been made in the said month or not.

It also empowers the Government to prescribe by rules, the form, manner and the time within which such return shall be filed.

It seeks to amend sub-section (5) of section 39 of the Jammu and Kashmir Goods and Services Tax Act so as to provide that the non- resident taxable person shall furnish there turn for a month within thirteen days after the end of the month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.

It further seeks to substitute the first proviso to sub- section (7) of said section so as to provide an option to the persons furnishing return under proviso to sub-section (1) to pay either the self-assessed tax or an amount that maybe prescribed.

It also seeks to amend sub-section (9) by removing reference of section 37 and section38 and to amend the proviso to said sub-section (9) of said section so as to provide for thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date for the rectification of errors in the return furnished under section 39.

It also seeks to amend sub-section (10) of said section so as to provide for furnishing of details of outward supplies of a tax period under sub-section (1) of section 37 as a condition for furnishing the return under section 39 for the said tax period.

It further seeks to amend by inserting a new sub-section (11), so as to provide a time limit up to which the return for a tax period can be furnished by a registered person. Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for a registered person or a class of registered persons.

Clause (22) seeks to substitute a new section for section 41 of the Jammu and Kashmir Goods and Services Tax Act so as to do away with the concept of “claim” of eligible input tax credit on a “provisional” basis and to provide for availment of self-assessed input tax credit subject to such conditions and restrictions as may be prescribed.

Clause (23) seeks to omit section 42 of the Jammu and Kashmir Goods and Services Tax Act relating to matching, reversal and reclaiming of input tax credit so as to do away with the concept of "claim" of eligible input tax credit on a "provisional" basis and subsequent matching, reversals and reclaim of such credit. It further seeks to omit section 43 relating to matching, reversal and reclaim of reduction in output tax liability so as to do away with two-way communication process in return filing. It also seeks to omit section 43A.

Clause (24) seeks to Substitute section 44 of the Jammu and Kashmir Services Tax Act, 2017 so as to remove the mandatory requirement of furnishing a reconciliation statement duly audited by specified professional and to provide for filing of the annual return on self-certification basis. It further provides for the Commissioner to exempt a class of taxpayers from the requirement of filing the annual return.

It also seeks to provide a time limit up to which the annual return under sub-section (1) of the said section for a financial year can be furnished by a registered person. Further, it also seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for a registered person or a class of registered persons.

Clause (25) seeks to amend sub-section (1) of section 47 of the Jammu and Kashmir Goods and Services Tax Act so as to provide for levy of late fee for delayed filing of return under section 52 and to remove reference of section 38 as there is no requirement of furnishing details of inward supplies by the registered person under the said section 38.

Clause (26) seeks to amend sub-section (2) of section 48 of the Jammu and Kashmir Goods and Services Tax Act so as to remove reference to section 38 there from as there is no requirement of furnishing details of inward supplies by the registered person under the said section 38.

Clause (27) seeks to amend sub-section (4) of section 49 of the Jammu and Kashmir Goods and Services Tax Act so as to provide for prescribing restrictions for utilizing the amount available in the electronic credit ledger.

It seeks to make consequential amendments in sub-section (8) of section 49 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

It further seeks to amend sub-section (10) so as to allow transfer of amount available in electronic cash ledger under the Jammu and Kashmir Goods and Services Tax Act of a registered person to the electronic cash ledger under the said Act or the Integrated Goods and Services Tax Act of a distinct person.

It also seeks to insert sub-section (12) so as to provide for prescribing the maximum proportion of output tax liability which may be discharged through the electronic credit ledger.

Clause (28) seeks to amend section 50 of the Jammu and Kashmir Goods and Services Tax Act, 2017, retrospectively, by substituting the proviso to sub-section (1) so as to charge interest on net cash liability with effect from the 8th July, 2017.

It seeks to make consequential amendments in sub-section (*1*) of section 50 in the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

It further seeks to substitute a new sub-section for sub-section (3) of section 50 of the Jammu and Kashmir Goods and Services Tax Act, 2017 retrospectively, with effect from the 8th July, 2017, so as to provide for levy of interest on input tax credit wrongly availed and utilized, and to provide for prescribing manner of calculation of interest in such cases.

Clause (29) seeks to make consequential amendments in sub-section (7) of section 51 of the Jammu and Kashmir Goods and Services Tax Act, so as to incorporate a reference to the proposed new section 74A.

Clause (30) seeks to amend proviso to sub-section (6) of section 52 of the Jammu and Kashmir Goods and Services Tax Act so as to provide for thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date up to which the rectification of errors shall be allowed in the statement furnished under sub-section (4).

It further seeks to amend by inserting a new sub-section (15), so as to provide a time limit up to which the statement under sub-section (4) of the said section for a month can be furnished by an electronic commerce operator. Further, it seeks to provide an enabling provision for extension of the said time limit, subject to certain conditions and restrictions, for an electronic commerce operator or a class of electronic commerce operators.

Clause (31) seeks to amend proviso to sub-section (1) of section 54 of the Jammu and Kashmir Goods and Services Tax Act so as to explicitly provide that claim of refund of any balance in the electronic cash ledger shall be made in such form and manner as may be prescribed.

It further seeks to amend Sub-Section (2) so as to align it with sub-section (1) by providing time limit of two years from the last day of the quarter in which the supply was received for claiming refund of tax paid on inward supplies of goods or services or both by the person specified in the said sub- section.

It further seeks to amend Sub-Section (6), by omitting the words "excluding the amount of Input Tax Credit provisionally accepted" so as to remove the reference to the provisionally accepted input tax credit to align the same with the present scheme of availment of self- assessed input tax credit as per sub-section (1) of section 41 of the said Act.

It also seeks to amend Sub-Section (10) so as to extend the scope of the said sub-section to all types of refund claims.

It also seeks to insert a new sub-clause (ba) in clause (2) of the Explanation, in order to provide clarity regarding the relevant date for filing refund claim in respect of supplies made to a Special Economic Zone developer or a Special Economic Zone unit.

It further seeks to insert a new sub-section(*15*)in section54 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to omit the second proviso to sub-section (*3*) and to provide that no refund of unutilised input tax credit or of integrated tax shall be allowed in cases of zero rated supply of goods where such goods are subjected to export duty.

Clause (32) seeks to amend section 56 of the Jammu and Kashmir Goods and Services Tax Act, 2017, so as to provide for an enabling provision to prescribe manner of computation of period of delay for calculation of interest on delayed refunds.

Clause (33) seeks to make consequential amendments in sub-section (3) of section 61 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

Clause (34) seeks to make consequential amendments in sub-section (*1*) of section 62 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

It also seeks to amend sub-section (2) of section 62 of the Jammu and Kashmir Goods and Services Tax Act, 2017, so as to provide the time period of 60 Days instead of 30 Days, for furnishing return FORM- GSTR 3B where Proper Officer has assessed tax liability on best judgement assessment basis. Moreover, where the registered person failed to furnish a valid return within 60 Days of the service of the Assessment Order, he may furnish the same within a further period of 60 Days on payment of an additional late fee of Rs. 100 for each day of delay beyond 60 days, the Assessment Order shall be deemed to have been withdrawn.

Clause (35) seeks to make consequential amendments in section 63 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

Clause (36) seeks to make consequential amendments in sub-section (2) of section 64 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

Clause (37) seeks to make consequential amendments in sub-section (7) of section 65 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

Clause (38) seeks to make consequential amendments in sub-section (6) of section 66 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

Clause (39) seeks to insert a new sub-section (1A) in section 70 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to enable an authorised representative to appear on behalf of the summoned person before the proper officer in compliance of summons issued by the said officer.

Clause (40) seeks to insert a new sub-section (12) in section 73 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to restrict the applicability of the said section for determination of tax pertaining to the period upto Financial Year 2023-24.

It also proposes to amend the marginal heading of the said section accordingly.

Clause (41) seeks to amend Section 74 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to make seizure and confiscation of goods and conveyances in transit a separate proceeding from recovery of tax.

It also seeks to insert a new sub-section (12) in section 74 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to restrict the applicability of the said section for determination of tax pertaining to the period upto Financial Year 2023-24.

It also proposes to amend the heading of the said section accordingly.

Clause (42) seeks to insert a new section 74A in the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to provide for determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to the Financial Year 2024-25 onwards.

It also provides for a uniform limitation period for issuing demand notices and orders in respect of demands from the Financial Year 2024-25 onwards, irrespective of whether the charges of fraud, wilful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, wilful misstatement, or suppression of facts.

Clause (43) seeks to insert a new sub-section (2A) in section 75 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to provide for redetermination of penalty demanded in a notice invoking penal provisions under clause (ii) of sub-section (5) of the proposed section 74A of the said Act to re-determine the penalty as per clause (i) of the sub- section (5) of the said section, in cases where the charges of fraud, wilful misstatement, or suppression of facts are not established.

It also seeks to make consequential amendments in section 75 of the said Act, so as to incorporate a reference to the proposed section 74A or the relevant sub-sections thereof.

It also seeks to amend Section 75 of the Jammu and Kashmir Goods and Services Tax Act, 2017 by inserting an explanation to sub-section (12) so as to clarify that "self-assessed tax" shall include the tax payable in respect of outward supplies, the details of which have been furnished under section 37, but not included in the return furnished under section 39.

Clause (44) seeks to amend section 83 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to provide that provisional attachment shall remain valid for the entire period starting from the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV till the expiry of a period of one year from the date of order made thereunder.

Clause (45) seeks to make consequential amendments in sub-section (1) of section 104 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to sub-sections (2) and (7) of the proposed new section 74A.

Clause (46) seeks to amend Section 107 of the Jammu and Kashmir Goods and Services Tax Act, 2017 by insertion a proviso to sub-section (6) so as to provide that no appeal shall be filed against an order made under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of penalty has been paid by the appellant.

It seeks to amend sub-section (*6*) of section 107 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to reduce the maximum amount of pre-deposit for filing appeal before the Appellate Authority from rupees twenty-five crores to rupees twenty crores in state tax.

It also proposes to make consequential amendments in sub-section (11) of the said section to incorporate a reference to the proposed new section 74A.

Clause (47) seeks to substitute a new Section for section109 of the Jammu and Kashmir Goods and Services Tax Act, 2017, to establish an Appellate Tribunal known as the Goods and Service Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority under this Act.

It also seeks to amend section 109 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to empower the Appellate Tribunal to examine the matters or adjudicate the cases referred to in sub-section (*2*) of section 171, if so notified under the said section. Such matters are proposed to be examined or adjudicated only by the Principal Bench.

It also empowers the Government to notify types of cases that shall be heard only by the Principal Bench of the Appellate Tribunal.

Clause (48) seeks to delete Section 110.

Clause (49) It seeks to amend sub-sections (*1*) and (*3*) of section 112 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to empower the Government to notify the date for filing appeal before the Appellate Tribunal and provide a revised time limit for filing appeals or application before the Appellate Tribunal. It is proposed to make the said amendments effective from the 1stday August, 2024.

It also seeks to amend sub-section (6) of the said section so as to enable the Appellate Tribunal to admit appeals filed by the department within three months after the expiry of the specified time limit of six months.

Further, it seeks to amend sub-section (8) of the said section to reduce the maximum amount of pre-deposit for filing appeals before the Appellate Tribunal from the existing twenty percent to ten percent of the tax in dispute and also reduce the maximum amount payable as pre-deposit from rupees fifty crores to rupees twenty crores in state tax.

Clause (50) seeks to delete section 114.

Clause (51) seeks to amend Sub-Section (1) and clause (a) and (b) in sub-section-5 of section 117 of the Jammu and Kashmir Goods and Services Tax Act, 2017, with respect to substitution of word “State Benches” in place of words “State Bench or Area Benches”.

Clause (52) seeks to substitute sub section (1) of section 118 of the Jammu and Kashmir Goods and Services Tax Act, 2017, in order to align the same with amended sub section (1) of the Centre Goods and Services Tax Act,2017.

Clause (53) seeks to amend section 119 of the Jammu and Kashmir Goods and Services Tax Act, 2017, with respect to substitution of word.

a. “Principal Bench” in place of words “National Bench or Regional Benches”.

b. "State Benches" in place of words "State Bench or Area Benches".

Clause (54) seeks to amend by inserting a new sub- section (1B) in section 122 of the Jammu and Kashmir Goods and Services Tax Act, 2017, so as to restrict the applicability of the said sub-section to electronic commerce operators, who are required to collect tax at source under section 52 of the said Act and to provide for penal provisions applicable to Electronic Commerce Operators in case of contravention of provisions relating to supplies of goods made through them by unregistered persons or composition taxpayers.

The said amendment is proposed to be made effective from the 1st day of October 2023.

Clause (55) seeks to insert the new section 122A after section 122 specifically deals with penalties for non-compliance with special registration procedures notified for machines used in manufacturing. This new section emphasises the importance of complying with special registration procedures for specific machinery in manufacturing activities. Failure to do so can lead to significant financial penalties and potential loss of equipment.

Clause (56) seeks to make consequential amendments in section 127 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to incorporate a reference to the proposed new section 74A.

Clause (57) seeks to insert a new section 128A in the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to provide for conditional waiver of interest and penalty in respect of demand notices issued under section 73 of the said Act for the Financial Years 2017-18, 2018-19 and 2019-20, except the demand notices in respect of erroneous refund.

Further, it is proposed that in cases where interest and penalty have already been paid in respect of any demand for the said financial years, no refund shall be admissible for the same.

Clause (58) seeks to amend section 129 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to delink the proceedings under that section relating to detention, seizure and release of goods and conveyances in transit, from the proceedings under section 130 relating to confiscation of goods or conveyances and levy of penalty

Clause (59) seeks to amend section 130 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to delink the proceedings under that section relating to confiscation of goods or conveyances and levy of penalty from the proceedings under section 129 relating to detention, seizure and release of goods and conveyances in transit.

Clause (60) seeks to amend sub-section (1) of section 132 of the Jammu and Kashmir Goods and Services Tax Act, 2017, so as to decriminalize offences specified in clause (g), (j) and (k) of the said sub-section and to increase the monetary threshold for launching prosecution for the offences under the said Act from one hundred lakh rupees to two hundred lakh rupees, except for the offences related to issuance of invoices without supply of goods or services or both.

Clause (61) seeks to amend First proviso to sub- section (1) of section 138 of the Jammu and Kashmir Goods and Services Tax Act, 2017, so as to simplify the language of clause (a), to omit clause (b) and to substitute the clause (c) of said proviso so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the said Act. It further seeks to amend sub-section (2) so as to rationalize the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding.

Clause (62) seeks to amend sub-section (7) of section 140 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to enable availment of the transitional credit of eligible CENVAT credit on account of input services received by an Input Services Distributor prior to the appointed day, for which invoices were also received prior to the appointed date.

The said amendment is proposed to be made effective from 1st day of July, 2017.

Clause (63) seeks to amend section 151 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to empower the Commissioner to call for information from any person relating to any matter dealt with in connection with the Act.

Clause (64) seeks to amend section 152 of the Jammu and Kashmir Goods and Services Tax Act CGST Act, 2017 so as to provide that no information obtained under sections 150 and 151 shall be used for the purposes of any proceedings under the Act without giving an opportunity of being heard to the person concerned.

Clause (65) seeks to insert a new section 158A in the Jammu and Kashmir Goods and Services Tax Act, 2017, so as to provide for prescribing manner and conditions for sharing of the information furnished by the registered person in his return or in his application of registration or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-Way Bill or any other details, as may be prescribed, on the common portal with such other systems, as may be notified.

Clause (66) seeks to amend sub-section (*2*) of section 171 of the Jammu and Kashmir Goods and Services Tax Act, 2017 so as to empower the Government to notify the date from which the Authority under the said section shall not accept any application for anti-profiteering cases.

An Explanation is also proposed to be inserted in the sub-section (3A) of the said section, so as to include the reference of “Appellate Tribunal” in the expression “Authority” under the said section to enable the Government to notify the Appellate Tribunal to act as an Authority to handle anti- profiteering cases.

Clause (67) seeks to amendment notification issued vide SRO 37 dated 23rd January 2018 to notify retrospectively, with effect from 8th July, 2017, that ‘www.gst.gov.in’, managed by GSTN, as the Common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns and computation and settlement of integrated tax and ‘www.ewaybillgst.gov.in’, managed by NIC, as the Common Goods and Services Tax Electronic Portal for furnishing electronic way bill, for all functions provided under Jammu and Kashmir Goods and Services Tax Rules, 2017.

Clause (68) seeks to amend notification number SRO-300 dated 18th July, 2017, so as to notify rate of interest under section 50 and section 56 of the Jammu and Kashmir Goods and Services Tax Act, 2017 retrospectively, with effect from the 8th day of July, 2017.

Clause (69) seeks to provide retrospective exemption from State tax in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period from the 8th day of July, 2017 up to the 30th day of September, 2019 (both days inclusive).

It further seeks to provide that no refund shall be made of the said tax which has already been collected.

Clause (70) seeks to give retrospective effect to the notification of the Finance Department Government of Jammu and Kashmir number SO 631 dated the 22nd October, 2019 with effect from the 8th day of July, 2017.

It further seeks to provide that no refund shall be made of the State tax which has already been collected.

Clause (71) consequent to the proposed amendment in section 7 of the Jammu and Kashmir Goods and Services Tax Act, 2017 paragraph 7 of Schedule II to the Jammu and Kashmir Goods and Services Tax Act, 2017 proposed to be omitted retrospectively, with effect from the 8th July, 2017.

Clause (72) seeks to amend Schedule III of the Jammu and Kashmir Goods and Services Tax Act, 2017, to give retrospective applicability to Para 7, 8 (a) and 8 (b) of the said Schedule, with effect from 8TH July, 2017, so as to treat the activities/ transactions mentioned in the said paragraphs as neither supply of goods nor supply of services. It is also being clarified that where the tax has already been paid in respect of such transactions/ activities during the period from 8th July, 2017 to 31st January, 2019, no refund of such tax paid shall be available.

It seeks to substitute "specified actionable claim" in paragraph 6 of Schedule III of the Act, for the present entries "lottery, betting and gambling", so as to provide clarity regarding taxability of actionable claims involved in or by way of casinos, horse racing and online gaming.

It seeks to amend Schedule III to the Jammu and Kashmir Goods and Services Tax Act, so as to provide that the activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements shall be treated as neither supply of goods nor supply of services, provided that the lead insurer pays the tax liability on the entire amount of premium paid by the insured.

It also proposes to provide that the services by the insurer to the re-insurer, for which the ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, shall be treated as neither supply of goods nor supply of services, provided that tax liability on the gross reinsurance premium inclusive of reinsurance commission or the ceding commission is paid by the reinsurer.

Clause (73) the amendments proposed under this Act do not negate the provisions of any other existing laws that prohibit, restrict, or regulate activities such as betting, casinos, gambling, horse racing, lottery, or online gaming.

Clause (74) seeks to provide that no refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed had the said section 8 been in force at all material times.

MINISTER

INCHARGE FINANCE

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FINANCIAL MEMORANDUM

The amendments proposed vide the Jammu and Kashmir Goods and Services Tax (Amendment) Bill, 2025 in the SGST aims to align the amendments carried out in the CGST which are regulatory in nature i.e to regulate the tax. There is no involvement of any recurring or non-recurring expenditure from and out of the Consolidated Fund of Jammu and Kashmir.

MINISTER

INCHARGE FINANCE

RECOMMENDATION OF THE LIEUTENANT GOVERNOR

The Lieutenant Governor has in pursuance of Sub-sections (1) and (3) of Section 36 of the Jammu and Kashmir Reorganization Act, 2019, recommended to the Jammu and Kashmir Legislative Assembly the introduction and consideration of the Bill.

Sd/-

MANOJ KUMAR PANDIT,

Secretary.