

PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES  
(KARNATAKA), BENGALURU

Present: Sri Ritvik Pandey, IAS,  
Commissioner of Commercial Taxes (K).

Sub: Clarification under Section 59(4) of KVAT Act, 2003  
on the rate of tax applicable on sale of 12 KG LPG  
cylinder-Reg.

Ref: 1. Application dated 08.04.2015 of M/s MVR GASS,  
Bengaluru (TIN-29310070797).

\* \* \*

PREAMBLE:

In the application cited above, M/s MVR GASS, No.801,9<sup>th</sup> Main, 3<sup>rd</sup> Block, Koramangala, Bengaluru-560034 has sought clarification regarding the rate of tax on sale of Liquefied petroleum gas cylinders of 12 K.G. capacities.

2. The applicant is engaged in the business of purchase of Liquefied petroleum gas from bulk manufacturers and suppliers, and the gas so received is bottled in standard cylinders and sold to his distributors and dealers who in turn sell them to ultimate consumers and commercial users.

3. The Government of Karnataka has issued a Notification reducing the rate of tax on the sale of Liquefied petroleum gas cylinders meant for domestic use to 1% w.e.f. 20-06-2008, vide Notification No. FD 148 CSL 2008 dtd: 19-06-2008. Pursuant to this notification, the Commissioner of Commercial Taxes (K) has also issued a clarification u/s 59(4) of the Karnataka Value Added Tax Act, 2003, vide Clarification Order No.CLR.CR.40/11-12 dated 28-07-2011 and the same reproduced here under.


*“Liquefied petroleum gas cylinders of 12 Kg capacity meant for domestic use are taxable at 1% VAT in terms of notification No.FD 148 CSL 2008 (II)dated 19-06-2008 and liquefied petroleum gas cylinders of 4 Kg, 5Kg and 15 Kg capacity are taxable at 14% under section 4(1)(b) of the KVAT Act 2003.”*

4. It is the understanding of applicant that the word “meant” appearing the notification should be understood as “the purpose for which”. Therefore, it is enough that if the sales of 12 Kg cylinders are made for the purpose of domestic use and the same could be directly to the domestic consumer or indirectly through the distributors/dealers to the ultimate end user domestic consumer. To remove any ambiguity on this issue relating to the rate of tax applicable on sale of Liquefied petroleum gas cylinders of 12 Kg capacity meant for domestic use, in back drop of inspection of applicant's business premises conducted by the Enforcement Wing of the Commercial Tax Department, the applicant has requested to issue a clarification once again.

5. The matter is examined and the applicant is informed as under.

**CLARIFICTION NO.CLR.CR.8/15-16 DATED;09.07.2015**

It is hereby reiterated that the intention behind reduction on tax rate relating to sale of Liquefied petroleum gas cylinder of 12 Kg capacity has been properly clarified in the clarification issued on 28-07-2011 vide No.CLR CR 40/11-12 dated 28-07-201 and there is no ambiguity to be addressed again.

  
( RITVIK PANDEY )  
Commissioner of Commercial Taxes,  
(Karnataka), Bangalore.  
Commissioner of Commercial Taxes  
Karnataka, Bangalore.