

# GOVERNMENT OF KERALA

## Abstract

TAXES – PRODUCTION OF INCOME-TAX, AGRICULTUREAL INCOME  
TAX AND SALES--TAX CLEARANCE CERTIFICATES BY  
CONTRACTORS—CONSOLIDATED ORDERS ISSUED.

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### REVENUE (H) DEPARTMENT

G.O. (P) 140/60/Rev.

Dated, Trivandrum, 20<sup>th</sup> February, 1960

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Read:-

1. G.P.Sri-4838/51/RD. dated 16-3-1953.
2. Circular No. SR2-5022/53/RD dated 5-8-1953.
3. G. P. D. Dis 4369/57/RD dated 22-11-1957
4. G.O. Ms. 335/58/Rev. dated 9-4-1958.
5. G.O.Ms 743/Rev. dated 17/7/1958
6. G.O. Ms. 793/Rev. dated 10-8-1959
7. From the Inspector – General of Police letter No. H1-67330/59-1 dated 5-10-1959.

### ORDER

In the G.P read as first paper, the Government ordered that the production of Agricultural Income-tax and Sales-tax clearance certificates should be insisted upon, as far as possible when tenders are accepted for the execution of works or supply of articles except in regard to local purchases of an emergent nature and that, on no account, should final payment be made to contractors before the production of tax clearance certificates. In the orders read as papers (2) to (6) above, Government have made certain modifications to the above, orders and the provisions relating to tax clearance certificates have been made applicable to Central Income-tax also. Since the orders issued by Government from time to time on the subject are not available in a consolidated form in the following consolidated orders are issued in super session of all the previous orders on the subject:-

2. (i) Contracts are generally divided into two categories, (a) contracts in which payments are made by Government to contractors, and (b) contracts in which the contractors make payment to Government and remove the produce or materials as the case may be such as Mellabhom contracts, Outright Sale contracts, Supply contracts, Taungya lease contracts etc.,

(ii) Deductions of Agricultural Income-tax and Sales tax – and Central Income-tax payable by contractors may be made from the bills due to them from Government in the case of contracts falling under category (a) and from the Security deposits before they are released in the case of contracts falling under category (b).

(iii) The production of Agriculture Income-tax and Sales-tax and Income-tax clearance certificates need not be insisted upon with the tenders, in either of the two categories of contracts mentioned above.

(iv) In the case of contracts coming under category (a) production of tax clearance certificates relating to Agricultural Income-tax, Sales-tax and Income-tax by the contractors should be insisted upon, before final payments are made to them, except as provided in sub para (vi) below.

(v) Agricultural Income-tax and Sales-tax clearance certificates need not be insisted upon, before final payments are made, in the case of contracts for less than Rs. 500 (Rupees five hundred) only and the Central Income-tax clearance certificate need not be insisted upon in the case of contracts for less than Rs. 5000 (Rupees five thousand) only.

3. In the case of contracts for Rs. 500 or above, necessary provisions should be included in the tender notifications and the effect that final payments will be made or that the security deposits will be released, as the case may be, only on the production of the Agricultural Income-tax and Sales-tax clearance certificates and that the agricultural income-tax and sales-tax payable by them will be deducted from the amounts to be paid to them or their security deposits before they are released, as the case may be. In the case of contracts for Rs. 5,000 or above, similar provisions should be included regarding the Central Income-tax clearance certificates also.

By order of the Governor,  
K. K. RAMANKUTTY  
Revenue Secretary.

To

The Secretary (Taxes), Board of Revenue.  
The Inspector General of Police  
All Heads of Departments and Offices.  
All Sections of the Secretariat.  
The Registrar of High Court, Ernakulam (with C.L)  
The Registrar, University of Kerala (with C.L)  
The Secretary, Kerala Public Service Commission (with C.L)  
The Stores Purchase Department (vide U.O Note No. 10336) SP (A) 16/59/2 dated 20-12-1959).  
The Commissioner of Income-tax Kerala & Coimbatore, (with C.L)  
The Finance Department (vide U.O Note Fin (BBG) A2-76065/59 dated, 6-1-1960.  
The Comptroller.