# The Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976

Act 35 of 1976

Keyword(s):
Assessee, Assessing Authority, Bangalore Urban Agglomeration, Profession Tax, Salary

Amendments appended: 5 of 2001, 5 of 2002, 26 of 2004, 11 of 2005, 5 of 2006, 5 of 2007, 6 of 2008, 7 of 2009, 5 of 2010, 15 of 2011, 18 of 2012, 27 of 2013, 53 of 2013, 14 of 2015, 6 of 2018, 14 of 2023, 33 of 2025, 22 of 2026

DISCLAIMER: This document is being furnished to you for your information by PRS Legislative Research (PRS). The contents of this document have been obtained from sources PRS believes to be reliable. These contents have not been independently verified, and PRS makes no representation or warranty as to the accuracy, completeness or correctness. In some cases the Principal Act and/or Amendment Act may not be available. Principal Acts may or may not include subsequent amendments. For authoritative text, please contact the relevant state department concerned or refer to the latest government publication or the gazette notification. Any person using this material should take their own professional and legal advice before acting on any information contained in this document. PRS or any persons connected with it do not accept any liability arising from the use of this document. PRS or any persons connected with it shall not be in any way responsible for any loss, damage, or distress to any person on account of any action taken or not taken on the basis of this document.

# THE KARNATAKA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENT ACT, 1976

## ARRANGEMENT OF SECTIONS

Statements of Objects and Reasons

**Sections:**

1. Short title, extent and commencement.
2. Definitions.
3. Levy and charge of tax.
3A. Omitted.
4. Employer's liability to deduct and pay tax on behalf of employees.
5. Registration and enrolment.
6. Return.
6A. Payment of tax in advance.
7. Assessment of employer or person.
7A. Self-assessment in the case of certain employers.
8. Rectification of mistakes.
9. Assessment of escaped tax.
10. Payment of tax by enrolled persons.
11. Consequences of failure to deduct or to pay tax.
12. Penalty for non-payment of tax.
13. Recovery of tax, etc.
14. Authorities for implementation of the Act.
14A. Instruction to subordinate authorities.
15. Appointment of Collecting Agents.
16. Appeals.
17. Appeal to the Appellate Tribunal.
18. Revision by Commissioner, Additional Commissioner, Joint Commissioner and Deputy Commissioner.
18A. Revision by High Court in certain cases.
19. Accounts.
20. Special mode of recovery.
21. Production and inspection of accounts and documents and search of premises.
22. Refunds.

23. Offences and penalties.
24. Offences by companies.
25. Power to transfer proceedings.
26. Compounding of offences.
27. Powers to enforce attendance, etc.
28. Bar of suits, etc.
28A. Appearance before any authority in proceedings
29. Power to exempt.
30. Local authorities not to levy profession tax.
31. Cesses not to be levied in certain cases.
32. Grants to local authorities for loss of revenue.
33. Power of make rules.
34. Power to remove difficulties.
SCHEDULE.

* * * *

## STATEMENTS OF OBJECTS AND REASONS

### I

**Act 35 of 1976.-** In order to augment the revenues of the State, it is considered necessary to levy a tax on professions, trade, callings and employments.

Salary and wage earners having a monthly income of Rs. 500 and above will be required to pay the said Tax, according to a graded scale. Self-employed persons will be required to pay fixed amounts ranging from Rs. 50 to Rs 250 per year, the levy being based on broad criteria related to the earning capacity of different groups of profession.

Provision is made for registration of employers and enrolment of self-employed persons and the procedure for the levy and collection of the Tax is laid down.

Provisions is also made for appeals and other ancillary matters for the administration of the Tax.

With the levy of Profession Tax by the State Government, the powers which the local bodies to levy this tax have at present is proposed to be withdrawn. But, provision is proposed for reimbursement of the loss of revenue to such of the local bodies as are levying the tax at present.

Hence this Bill

(Obtained from L.A. Bill No. 34 of 1976.)

**II**

**Amending Act 8 of 1981.-** At present the Insurance Agents are liable to pay profession tax according to their standing in the profession and the places at which they carry on the profession. It was represented that the existing provisions cause hard-ship to them. On a Careful consideration of the question, it is proposed to allow them to pay tax on a slab system, similar to that provided for salary or wage earners under the Act.

(Obtained from L.A. Bill No 39 of 1981)

**III**

**Amending Act 13 of 1982.-** In the budget speech for the year 1982–83, the Hon'ble Minister of Finance and Tourism, has indicated several proposal in order to augment the revenue of the State. This Bill seeks to give effect to the said proposals. Opportunity is taken to make some other minor amendments.

(Published Karnataka Gazette (Extraordinary) Part IV-2A, as No. 223, dated 27-3-1982, p. 31.)

**IV**

**Amending Act 26 of 1982.-** It is decided that there should be some minimum period of exercise of profession in year for attracting the tax liability under the Karnataka Tax on Professions, Traders, Callings and Employment Act , 1976. It is considered desirable to fix up the minimum period at 120 days in a year.

According to the proviso of item (xi) of section 94 of the Karnataka Municipalities Act, a tax under item (ix) shall not be levied where the Municipality levies of profession tax. As professions tax is now being levied in all cases, item (ix) of the proviso thereto of the Karnataka Municipalities Act are being deleted.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 10-6-1982 as, No 469.) (Obtained from L.A. Bill No. 23 of 1982.)

**V**

**Amending Act 1 of 1985.-** Amendment to Sl. No. 1 of the Schedule to the Act is proposed to incorporate the decision of the Government to exempt

all wage earners who earn a wage or salary of less than Rs.1,500/- per month.

Opportunity is also taken to make certain other amendments for rationalising the existing provisions.

Hence this Bill.

(Obtained from L.A. Bill No. 31 of 1983)

**VI**

**Amending Act 29 of 1985.-** In his Budget Speech for 1985-86 the Chief Minister indicated that salary or wage earners whose basic salary/ wage is less than Rs. 1,200/- per month and dealers whose annual turnover in less than Rs. 75,000/- would be exempted from payment of Professional tax and that some more professions would be brought into the tax net.

Hence this Bill.

(Obtained from L.A. Bill No. 25 of 1985)

**VII**

**Amending Act 13 of 1986.-** Since June, 1986, the worker relating to Profession Tax in respect of dealers registered under the Karnataka Sales Tax Act, 1957, is entrusted to the respective assessing authorities. It would be convenient for the officers who collect Registration Fee under the Karnataka Sales Tax Act, 1957 during the month of April every year, to collect simultaneously, the Profession Tax also for the dealers. It would be convenient for the dealers also. Hence, it is proposed to advance the last date for payment in respect of the enrolled persons from 30th September of the year to 30th April of the year.

(Obtained from L.A. Bill No. 20 of 1986.)

**VIII**

**Amending Act 13 of 1987.-** To give effect to the proposals made in the Budget Speech, it is proposed to amend the Karnataka Tax on Professions, trades, Calling and Employments Act, 1976.

Hence the Bill.

(Obtained from L.A. Bill No. 19 of 1987.)

**IX**

**Amending Act 15 of 1989.-** To give effect to the proposals made in the Budget speech it is proposed to amend the Karnataka Tax on Professions, Traders, Callings and Employments Act, 1976. Opportunity is also taken to

amend section 11 of the Act to exempt from payment of balance of interest payable upto 31st March 1987 in respect of tax paid belatedly and also the interest payable on taxes due upto 31st March, 1987 if the taxes are paid on or before 30th June 1989.

Hence the Bill.

(Obtained from L.A. Bill No. 6 of 1989)

**X**

**Amending Act 5 of 1990.-** To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Tax of Professions, Traders, Callings and Employments Act, 1976.

Opportunity is also taken to rationalise certain provisions of the said Act.

Hence the Bill.

(Obtained from L.A. Bill No. 2 of 1990)

**XI**

**Amending Act 13 of 1991.-** To give effect to the proposal made in the Budget Speech, it is considered necessary to amend the Karnataka Tax on Professions, Traders, Callings and Employments Act, 1976.

Hence the Bill.

(Obtained from L.A. Bill No. 8 of 1991.)

**XII**

**Amending Act 5 of 1992.-** To give effect to the proposal made in the Budget Speech, it is considered necessary to amend the Karnataka Tax on Professions, Traders, Callings and Employments Act, 1976.

Opportunity is also taken to make consequential amendment to the said Act.

Hence the Bill.

(Obtained from L.A. Bill No. 13 of 1992)

**XIII**

**Amending Act 5 of 1993.- Consequent** to the re-designation of posts in the Commercial Tax Department, it has become necessary to make suitable amendments in the relevant Taxation Laws.

The full bench of our High Court in Shah Wallace case while overruling a Division Bench judgment of our High court in Janardhanacharya's case had held that the notifications issued under section 8A of the Karnataka Sales Tax Act, 1957 become inoperative when the relevant

provisions of the Act are subsequently amended by way of insertion of any entry relating to the class of goods to which exemptions were given by the notifications. Therefore, it was considered necessary to suitably amend the said Act, to save the notifications already issued.

As the matter was urgent and both the Houses were not in session, the amendments were carried-out by promulgation of the Karnataka Taxation Laws (Amendment) Ordinance, 1992.

This Bill seeks to replace the above Ordinance, Hence the Bill.

(Obtained from LA Bill No. 29 of 1992.)

**XIV**

**Amending Act 11 of 1993.-** It is considered necessary to amend the Karnataka tax on Luxuries (Hotel and Lodging Houses) Act, 1979, the Karnataka Tax on Professions, Traders Callings and Employments Act, 1976, the Karnataka Entertainments Tax Act, 1958 and the Karnataka Sales Tax Act, 1957 to give effect to the proposals made in the budget speech and matters connected therewith.

Hence the Bill.

(Obtained from L.A. Bill No. 15 of 1993.)

**XV**

**Amending Act 18 of 1994.-** It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Entry of Goods Act, 1979, the Karnataka Entertainments Tax Act, 1958, the Mysore Betting Tax Act, 1932 and the Karnataka Agricultural Income Tax Act, 1957 to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from LA Bill No. 12 of 1994.)

**XVI**

**Amending Act 6 of 1995.-** It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Agricultural Income Tax Act, 1957, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Entertainment Tax Act, 1958, the Karnataka Tax on Entry of Goods Act, 1979, Karnataka Tax on Luxuries, (Hotels and Lodging House) Act, 1979, the Mysore Betting Tax Act, 1932

and to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from LA Bill No. 4 of 1995.)

**XVII**

**Amending Act 5 of 1996.- It** is considered necessary to amend the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979, the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, the Karnataka Entertainments Tax Act, 1958, the Karnataka Agricultural Income Tax Act, 1957, and the Karnataka Sales Tax Act, 1957 to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from LA Bill No. 12 of 1996.)

**XVIII**

**Amending Act 7 of 1997.- It** is considered necessary to amend the Karnataka Tax on Luxuries (Hotels, Lodging Houses and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Excise Act 1966 (Karnataka Act 21 of 1966), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Mysore Betting Tax Act 1932 (Mysore Act IX of 1932), and to give effect to the proposals made in the Budget Speech and matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Obtained from LA Bill No. 12 of 1997.)

**XIX**

**Amending Act 3 of 1998.- It** is considered necessary to amend the Karnataka taxation Laws Amendment Act, 1997 (Karnataka Act 7 of 1997), the Karnataka Tax on Entry of Goods Act 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Luxuries (Hotel, Lodging Housed and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958), the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) and to give effect to the proposals made in the Budget Speech and

matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Obtained from L.A. Bill No. 6 of 1998.)

* * * * *

**XX**

**Amending Act 5 of 2001.-** To give effect to the proposals made in the budget speech, it is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karntaka Act 25 of 1957), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 2979), the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976 (Karnataka Act 35 of 1976) and the Karnataka Agricultural Income Tax, 1957 (Karnataka Act 22 of 1957). Certain consequential amendments are also made.

Hence, the Bill.

(Vide LA Bill No. 7 of 2001 File No. DAPL 9 SHASANA 2001)

* * *

**XXI**

**Amending Act 7 of 2003.-** To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Agricultural Income Tax Act, 1957, The Karnataka Tax Act, 1957, the Karnataka Entertainment Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, the Karnataka Tax on Luxuries Act, 1979 on Entry of Goods Act, 1979 and the Karnataka Electicity (Taxation on Consumption) Act, 1959.

Hence, the Bill.

(Vide LA Bill No. 9 of 2003 File No. SAMVYASHAE 17 SHASANA 2003)

* * *

**XXII**

**Amending Act 13 of 2003.-** It is considered necessary to prepare upto date Codal Volumes of the Karnataka Acts and to repeal all the spent Acts and amendment Acts from time to time.

The Government constituted One-man Committee for the above purpose. The Committee has reviewed the Karnataka Acts for the period from 1.11.1956 to 31.12.2000 and has proposed the "Repealing and Amending Bill, 2002" which seeks to repeal the following types of Acts,-

(i) Acts which amended the Karnataka Acts whether they are now in force or not;

(ii) Acts which amended regional Acts which are no longer in force;

(iii) Appropriation Acts as they are spent Acts;

(iv) Acts which have been struck down or by necessary implication struck down by the Courts;

(v) Acts which are by implication repealed by Central Acts;

(vi) Acts which are temporary and spent enactments; and

(vii) Acts which amend the Central Acts and regional Acts which are in force.

The Bill does not include Acts which are already repealed expressly.

This Bill also seeks to amend certain Acts which are considered necessary.

Hence the Bill.

[L.C. BILL No. 4 OF 2002]

[Various entries of List II and III of the Seventh Schedule]

**XXIII**

**Amending Act 26 of 2004.-** To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 o 1957), the Karnataka Entertainment Tax Act, 1958, (Karnataka Act 30 of 1958), , the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, 1979, (Karnataka Act 35 of 1976) the Karnataka Tax on Luxuries Act, and the Karnataka on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979).

Opportunity is also taken to rationalize certain provisions of the said Acts and also to codify and make certain consequential emendments to implement reliefs already announced.

Hence, the Bill.

(Vide File No. SAMVYASHAE 23 SHASANA 2004)

**XXIV**

**Amending Act 11 of 2005.-** To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting

Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979), the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 3 of 2004), the Karnataka Special Tax on Entry of Certain Goods Act, 2004 (Karnataka Act 29 of 2004) and the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004).

Opportunity is also taken to rationalize certain provisions of the said Acts.

Hence the Bill.

* * *

**KARNATAKA ACT NO. 35 OF 1976**

*(First published in the Karnataka Gazette Extraordinary on the Twenty-ninth day of April 1976)*

**THE KARNATAKA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS ACT, 1976**

*(Received the assent of the Governor on the Twenty-eighth day of April 1976)*

(As Amended by Acts 8 of 1981, 13 of 1982, 26 of 1982, 1 of 1985, 29 of 1985, 13 of 1986, 13 of 1987, 15 of 1989, 5 of 1990, 13 of 1991, 5 of 1992, 5 of 1993, 11 of 1993, 18 of 1994, 6 of 1995, 5 of 1996, 7 of 1997, 3 of 1998, 5 of 2001, 7 of 2003, 13 of 2003, 26 of 2004 and 11 of 2005)

**An Act to provide for the levy and collection of tax on professions, trades, callings and employments in the State.**

WHEREAS it is expedient to provide for the levy and collection of a tax on professions, trades, callings and employments;

BE it enacted by the Karnataka State Legislature in the Twenty-seventh Year of the Republic of India as follows :-

**1. Short title, extent and commencement.-** (1) This Act may be called the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976.

(2) It extends to the whole of the State of Karnataka.

(3) It shall be deemed to have come into force on the first day of April, 1976.

**2. Definitions.-** In this Act, unless the context otherwise requires,-

(a) "assessee" means a person or employer by whom tax is payable under this Act;

(b) "assessing authority" means a [1][Deputy Commissioner of Profession Tax, Assistant Commissioner of Profession Tax][1] or [2][Profession Tax Officer][2] or any other officer authorised by the State Government in this behalf to make any assessment by or under this Act;

1. Substituted by Act 11 of 1993 w.e.f. 1.4.1993
2. Substituted by Act 5 of 1993 w.e.f. 9.11.1992

(c) "Bangalore Urban Agglomeration" means the area specified as such in Schedule I to the Urban Land (Ceiling and Regulation) Act, 1976 (Central Act 33 of 1976);

(d) "Commissioner" means the Commissioner of Profession Tax appointed under section 14 and includes a [1][Additional Commissioner][1] of Profession Tax (if any) appointed under that section :

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992

(e) [1]["Joint Commissioner"][1] means any person appointed to be a [1][Joint Commissioner][1] of Profession Tax under section 14;

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992

(f) "employer", in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for the disbursement of such salary or wages and includes the head of the office or any establishment as well as the manager or agent of the employer;

(g) "month means a calender month;

(h) "person" means any person who is engaged in any profession, trade, calling or employment in the State of Karnataka and includes a Hindu Undivided Family, firm, company, corporation or other corporate body, any society, club or association, so engaged but does not include any person who earns wages on a casual basis;

[1]**[Explanation.-** Every branch of a firm, company, corporation or other corporate body, any society, club or association whall be deemed to be a person.][1]

1. Inserted by Act 7 of 2003 w.e.f. 1.4.2003

(i) "profession tax" or "tax" means a tax leviable under the provisions of this Act;

[1][(j) 'salary' or 'wage' includes pay or wage, dearness allowance and all other remunerations received or receivable by any person including any amount received by way of arrears of salary or bonus by whatever name called whether payable in cash or kind and also includes perquisites and profits in lieu of salary as defined in section 17 of the Income Tax Act, 1961.

***Explanation.-*** (i) Where 'bonus' by whatever name called is received in part or full, then such bonus shall be spread over for twelve months of the year or to such number of months the bonus relates for purposes of computation of 'Salary' or 'Wage' for such months.

(ii) Where arrears of salary is received in part or full, then such arrears shall be spread over for the relevant months for which it relates for purposes of computation of 'Salary' or 'Wage' for such months.][1]

1. Substituted by Act 15 of 1989 w.e.f. 1.4.1987

(k) "Schedule" means the Schedule appended to this Act;

(l) "Tribunal" means the Karnataka Appellate Tribunal constituted under the Karnataka Appellate Tribunal Act, 1976 (Karnataka Act 10 of 1976);

(m) "year" means the year commencing on the first day of April.

**3. Levy and charge of tax.-** (1) There shall be levied and collected a tax on professions, trades, callings and employment for the benefit of the State.

(2) Every person who exercises any profession or calling or is engaged in any trade or holds any appointment, public or private, or is employed in any manner in the State, specified in the second column of the Schedule, shall be liable to pay to the State Government the tax at the rate mentioned in the corresponding entry in the third column of the said Schedule :

Provided that no tax shall be payable by persons [1][x x x][1] who have attained sixty-five years of age.

1. Omitted by Act 5 of 1996 w.e.f. 1.4.1996

[1][Provided further that the levy and collection of tax from any person under this section shall be subject to the restriction specified in clause (2) of Article 276 of the Constitution.][1]

1. Inserted by Act 8 of 1981 w.e.f. 4.4.1981

[1][Provided further that, no tax shall be payable by a person in respect of any year if the period during which he exercises such profession or calling or is engaged in the trade or holds the appointment or is employed does not exceed one hundred and twenty days in that year.][1]

1. Inserted by Act 26 of 1982 w.e.f. 27.7.1982.

[1]**[3A.** x x x][1]

1. Omitted by Act 3 of 1998 w.e.f. 1.4.1998.

**4. Employer's liability to deduct and pay tax on behalf of employees.-** The tax payable under this Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such persons:

Provided that, if the employer is an officer of Government, the State Government may, notwithstanding anything contained in this Act, prescribe by rules the manner in which such employer shall discharge the said liability.

**5. Registration and enrolment.-** (1) Every employer (not being an officer of Government) liable to pay tax under section 4 shall obtain a certificate of registration from the assessing authority in the prescribed manner.

(2) Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by his employer), shall obtain a certificate of enrolment from the assessing authority in the prescribed manner.

(3) Every employer or person required to obtain a certificate of registration or enrolment shall, within ninety days from the date of commencement of this Act or, if he was not engaged in any profession, trade, calling or employment on the date, within thirty days from the date of commencement of his profession, trade, calling or employment, or in respect of a person referred to in sub-section (2) within thirty days of his becoming liable to pay tax at a rate higher or lower than the one mentioned in his certificate of enrolment, apply for a certificate of registration or enrolment, or revised certificate of enrolment, as the case may be, to the assessing authority in the prescribed form, and the assessing authority shall, after such inquiry as it may deem fit within thirty days of the receipt of the application (which period in the first year from the commencement of this Act shall be extended to ninety days), if the application is in order, grant him such certificate.

[1][Provided that where after the issue of the enrolment certificate the tax payable under this Act is revised the person liable to pay tax under this Act shall, notwithstanding that the enrolment certificate is not revised pay tax at such revised rates from the date of such revision.][1]

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.

(4) The assessing authority shall mention in every certificate of enrolment, the amount of tax payable by the holder according to the Schedule and the date by which it shall be paid, and such certificate shall serve as a notice of demand for purposes of section 12.

[1][(5) x x x][1]

1. Omitted by Act 18of 1994 w.e.f. 1.4.1994.

(6) Where an employer or a person liable to registration or enrolment has deliberately given false information in any application submitted under this section, the assessing authority may, after giving him a reasonable opportunity of being heard, impose a penalty not exceeding rupees one thousand.

[1]**[6. Return.-** (1) Notwithstanding anything contained in section 6A, every employer registered under this Act, shall furnish to the assessing authority within sixty days of the expiry of the year, a return in the prescribed form showing therein the salaries and wages paid by him and the amount of tax deducted by him in respect thereof during the preceding year.

(2) Before any employer submits any return under sub-section (1), he shall, in the prescribed manner, pay in advance the full amount of tax payable by him on the basis of such return as reduced by any tax already paid under section 6A and shall furnish along with the return satisfactory proof of the payment of such tax, and a return without such proof of payment shall not be deemed to have been filed. After the final assessment is made, the amount of tax so paid shall be deemed to have been paid towards the tax finally assessed.

1. Sections 6, and 6A substituted by Act 6 of 1995 w.e.f. 1.4.1995

**6A. Payment of tax in advance.-** (1) Every employer registered under this Act, shall furnish to the assessing authority within twenty days of the expiry of a month, a statement in the prescribed form, showing therein the salary and wages paid by him and the amount of tax deducted by him in respect thereof during the month immediately preceding that month.

[1][Provided that where the amount of tax deducted in a month is not more than rupees five thousand, the registered employer shall furnish such statement within twenty days of expiry of a quarter showing therein the salary and wages paid by him and the amount of tax deducted by him in respect thereof during the immediately preceding that quarter.

***Explanation.-*** For the purpose of this proviso, "quarter" means the period of three months ending on 31st day of May, 31st day of August, 30th day of November and 28th day or 29th day of February][1]

1. Inserted by Act 5 of 1996 w.e.f. 1.4.1996.

(2) Every such statement shall be accompanied by a treasury challan in proof of payment of the full amount of tax due according to the statement, and a statement without such proof of payment shall not be deemed to have been duly filed and the amount so payable shall for the purposes of section 11 and section 13 be deemed to be tax due under this Act from such employer.

(3) If no such statement is submitted by any employer under sub-section (1) before the date specified therein or if the statement submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority may assess the employer provisionally for that month [1][or for that quarter, as the case may be][1] to the best of his judgement, recording the reasons for such assessment and proceed to demand and collect the tax on the basis of such assessment:

1. Inserted by Act 5 of 1996 w.e.f. 1.4.1996

Provided that before taking action under sub-section [1][(3)][1] the employer shall be given an opportunity of being heard.][1]

1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996

**7. Assessment of employer [1][or person][1].-** (1) If the assessing authority is satisfied that the return filed by any employer is correct and complete, it shall accept the return.

2. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

(2) (a) If the assessing authority is not satisfied that the return filed by any employer is correct and complete, it shall serve upon the employer a notice requiring him to attend in person or through an authorised representative on a date specified in the notice and to produce accounts and papers in support of the return.

(b) The assessing authority shall, on examination of accounts and papers, assess the amount of tax payable by the employer.

(c) If the employer fails to comply with the terms of the notice or if in the opinion of the assessing authority the accounts and papers are incorrect or incomplete or unreliable, the said authority shall, after such enquiry as it deems fit, or otherwise, assess the tax due to the best of its Judgement.

[1][(3) If an employer has failed to get himself registered or being registered, has failed to file any return or a person has failed to get himself enrolled under section 5, the assessing authority shall, after giving the employer or the person as the case may be a reasonable opportunity of making representation and after holding such enquiry as it deems fit, or otherwise, pass an order assessing the amount of tax due to the best of its judgement.][1]

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.

[1][(3A) When making an assessment under sub-section (3) the assessing authority may also direct the employer or the person, as the case may be to pay in addition to the tax assessed a penalty equal to the amount of tax assessed under sub-section (3).][1]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

(4) The amount of tax so assessed [1][or the amount of penalty so levied][1] shall be paid within fifteen days of receipt of the notice of demand from the assessing authority.

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

(5) If within one month from the service of a notice of demand under sub-section (4) the [1][employer or person][1] satisfies the assessing authority that he was prevented by sufficient cause from getting himself registered or, from filing the return under section 6 [2][or from getting himself enrolled under section 5][2], as the case may be, the assessing authority shall cancel the assessment made under sub-section (3) and proceed to make a fresh assessment in accordance with the provisions of this section as the circumstances of the case may warrant.

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.
2. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

[1][**7A. Self-assessment in the case of certain employers.-** (1) Notwithstanding anything contained in sub-section (2) of section 7, the assessing authority in respect of any year commencing from the first day of April, 2003, shall assess an employer in whose case the total amount of tax deducted is less than twenty five thousand upees on the basis of the return submitted in accordance with sub-section (1) of Section 6 within the time specified therein, without requiring his presence or production of books of accounts.

(2) Where before completion of self-assessment, return submitted under sub-section (1) is found to involve mistake apparent on record, the assessing suthority shal afford opportunity to the employer to subit revised return or to rectify such mistake.

(3) Self-assessment under sub-section (1) shall not be made in respect of an employer for any year if.-

(i) the return filed for any year is incomplete or incorrect or defective, save for mistakes apparent on record;

(ii) it is found that the employer has attempted to evade any tax, for that year.

(4) Notwithstanding anything contained in sub-section (1), the Commissioner shall, within a period of seventy-five days from the close of the year to which the assessment relates, notify selection of cases for the purpose of scrutiny in entirety of the assessment records and in respect of such cases so found warranted, shall directed the assessing authority concerned to make assessment under sub-section (3) of Section 12.

(5) The Assessing authority shall, within a period of sixty days from the date of notification of cases for the purpose of scrutiny assessment under

sub-section (4), serve upon the employer, notice as prescribed demanding payment of tax or issue order of refund as prescribed, on the basis of self-assessment or communicate initiation of proceedings of scrutiny assessment under sub-section (4)

(6) If on scrutiny assessment in cases falling under sub-section (4), it is found that the amount of tax paid by any employer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.

(7) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 8, 9 and 18."][1]

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004

**8. Rectification of mistakes.-** (1) With a view to rectify any mistake apparent from the record, any authority under this Act, may, at any time within a period of four years from the date of an order passed by it, amend such order :

Provided that an amendment which has the effect of enhancing an assessment or otherwise increasing the liability of the employer or person, as the case may be, shall not be made unless the authority concerned has given notice to the employer or the person of its intention to do so and has given the employer or the person an opportunity of making representation.

(2) An order passed under sub-section (1), shall be deemed to be an order passed under the same provision of law under which the original order, the mistake in which was rectified had been passed.

**9. Assessment of escaped tax.-** (1) If for any reason any tax payable under this Act has escaped assessment or has been assessed at a rate lower than the rate at which it is assessable the assessing authority may at any time within four years from the end of the year to which the tax relates, proceed to assess or reassess the tax, as the case may be, to the best of its judgement after issuing a notice to the employer or the person concerned and after making such enquiry as it considers necessary:

Provided that the tax shall be charged at the rate at which it would have been charged if such tax had not escaped assessment or, as the case may be, had not been assessed at a rate lower than the rate at which it was assessable.

(2) In making an assessment under sub-section (1), the assessing authority, if it is satisfied that the escape from assessment was due to wilful non-disclosure of information or attempt at evading the tax by the employer

or the person direct such employer or the person to pay, in addition to the tax assessed under sub-section (1), a penalty not exceeding one and half times the tax so assessed :

Provided that no penalty under this sub-section shall be imposed unless the employer or the person affected has had a reasonable opportunity of showing cause against such imposition.

**10. Payment of Tax by enrolled persons.-** (1) The tax payable under this Act by enrolled persons shall be paid in the prescribed manner.

[1][Provided that a person liable to be enrolled shall be deemed to have enrolled for the purpose of payment of tax under this Act, notwithstanding that he has failed to do so.][1]

1. Inserted by Act 11 of 2005 w.e.f. 1.4.2005.

(2) The amount of tax due from enrolled persons for each year as specified in their enrolment certificates shall be paid,-

| | | |
|---|---|---|
| [1][(a) | in respect of a person who stands enrolled before the commencement of a year; | Before 30th April of that year. |
| (b) | in respect of a person who is enrolled after the commencement of a year. | Within one month from the date of enrolment.][1] |

1. Substituted by Act 13 of 1986 w.e.f. 2.5.1986.

**11. Consequences of failure to deduct or to pay tax.-** (1) If an employer (not being an officer of Government) does not deduct the tax at the time of payment of salary or wage or after deducting fails to pay the tax as required by or under this Act, he shall without prejudice to any other consequences and liabilities which he may incur, be deemed to be an assessee in default in respect of the tax.

(2) Without prejudice to the provisions of sub-section (1) if an employer referred to in sub-section (1) does not deduct the tax at the time of payment of the salary or wage, or after deducting fails to pay the tax as required by or under this Act, he shall be liable to pay simple interest at [1][one and aquarter per cent][1] of the amount of the tax due for each month or part thereof for the period for which the tax remains unpaid.

1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005

(3) If an enrolled person [1][or a person liable to be enrolled][1] fails to pay the tax as required by or under this Act, he shall be liable to pay simple interest at the rate and in the manner laid down in sub-section (2).

1. Inserted by Act 11 of 2005 w.e.f. 1.4.2005

[1][(4) Notwithstanding anything contained in sub-sections (2) and (3),-

(i) the balance of interest payable upto 31st March 1987 in respect of tax paid belatedly shall not be collected;

(ii) any interest that has become payable in respect of tax due as on 31st March 1987 shall not be collected provided such tax is paid in full on or before 30th June, 1989.][1]

1. Inserted by Act 15of 1989 w.e.f. 1.4.1989.

**12. Penalty for non-payment of tax.-** If an enrolled person or a registered employer fails, without reasonable cause, to make payment of any amount of tax within the required time or date as specified in the notice of demand the assessing authority may, after giving him a reasonable opportunity of making representation, impose upon him a penalty not exceeding fifty per cent of the amount of tax due. This penalty shall be in addition to the interest payable under sub-section (2) or (3) of section 11.

[1]**[13. Recovery of tax, etc.-** Any tax, penalty, interest or other amount due under this Act from an employer or other person may, without prejudice to any other mode of collection, be recovered,-

(a) as if it were an arrear of land revenue, or

(b) on application to any Magistrate, by such Magistrate, as if it were a fine imposed by him.][1]

1. Substituted by Act 1 of 1985 w.e.f. 9.1.1985.

**14. Authorities for implementation of the Act.-** (1) For carrying out the purposes of this Act, the State Government may appoint,-

(i) an officer to be the Commissioner of Profession Tax for the whole of the State of Karnataka;

(ii) one or more officers to be the [1][Additional Commissioners][1] of Profession Tax as the State Government may think necessary;

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

(iii) such number of [1][Joint Commissioners][1] of Profession Tax, [2][Deputy Commissioners of Profession Tax][2] [1][Assistant Commissioners of Profession Tax][1] [1][Profession Tax Officers,][1] and other [3][officers, Deputy Commissioners of Professions Tax and][3] persons (with such designations) as the State Government may think necessary.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
2. Inserted by Act 29 of 1985 w.e.f. 1.8.1985 and substituted by Act 5 of 1993 w.e.f. 9.11.1992
3. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

(2) (i) All officers and persons employed in the execution of this Act shall be subject to the general supervision and control of the State Government and the Commissioner.

(ii) The [1][Joint Commissioners][1] shall perform their functions and exercise their powers conferred on them by or under this Act in such areas as the State Government may direct;

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

(iii) The [1][Profession Tax][1] [2][Officers, the Assistant Commissioners of Profession Tax and Deputy][2] [1][Commissioners of Profession tax][1] all perform such functions and exercise such powers and within such areas as the Commissioner may direct.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

(3) All officers appointed under this Act shall be subordinate to the Commissioner.

[1]**[14A. Instruction to subordinate authorities.-** (1) The State Government and the Commissioner may, from time to time, issue such orders, instructions and directions to all officers and persons employed in the execution of this Act as they may deem fit for the administration of this Act, and all such officers and persons shall observe and follow such orders, instructions and directions of the State Government and the Commissioner.

Provided that no such orders, instructions or directions shall be issued so as to interfere with the discretion of any Appellate Authority in the exercise of its appellate functions.

(2) Without prejudice to the generality of the foregoing power, the Commissioner may, on his own motion, or on an application by a person who has obtained a certificate of enrolment or an employer who has obtained a certificate of registration under this Act, if he considers it necessary or expedient so to do, for the purpose of maintaining uniformity in the work of assessments and collection of revenue, clarify the rate of tax payable under this Act and all officers and persons employed in the execution of this Act shall observe and follow such clarification:

Provided that no such application shall be entertained unless it is accompanied by proof of payment of such fee, paid in such manner, as may be prescribed.

(3) Any officer and person employed in the execution of this Act, shall observe and follow such administrative instructions as may be issued to him for his guidance by the Joint Commissioner within whose jurisdiction he performs his functions.][1]

1. Inserted by Act 5of 1996 w.e.f. 1.4.1996.

**15. Appointment of collecting agents.-** (1) For carrying out the purposes of this Act, the State Government may, at its discretion, appoint any Government Department or officer, or a municipal corporation, municipality or taluk board (hereinafter called 'collecting agent') as its agent responsible for collection of the tax under this Act from such persons or class of persons as may be prescribed; and thereupon, it shall be the duty of such collecting agent, to carry out in such manner as may be prescribed, such functions under this Act as may be prescribed and to render full and complete account of the tax levied and collected to the Commissioner in such manner and at such time as that officer may require.

(2) Any officer authorised by the collecting agent in this behalf shall have for the purposes of levy and collection of the tax all the powers of the assessing authority and such other powers as may be prescribed.

(3) A municipal corporation, municipal council or taluk board appointed as agent to carry out the purposes of this Act under sub-section (1) shall be paid such collection charges as may be prescribed by the State Government after consultation with the local authority concerned.

(4) It shall be lawful for the Commissioner or an officer duly authorised by him, to have access to and to require production and examination of books, registers, accounts or documents maintained or required to be maintained by the collecting agent for the purposes of this Act and the collecting agent shall, whenever called upon to do so produce such books, registers, accounts or documents for inspection by the Commissioner or by the authorised officer.

**16. Appeals.-** (1) Any employer, not being an officer of Government or any person aggrieved by an order of an assessing authority may appeal to the [1][Joint Commissioner][1] of the area concerned:

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

Provided that no appeal shall lie against an order passed under sub-section (3) of section 7.

(2) The appeal shall be preferred within sixty days of receipt of the demand notice or the order against which the appeal is intended:

Provided that the appellate authority may for sufficient cause shown admit an appeal preferred after the period of sixty days aforesaid.

(3) No appeal shall be entertained unless the amount of tax or penalty, or interest not disputed in the appeal has been paid in full.

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(5) In disposing of an appeal, the appellate authority may, after giving the appellant a reasonable opportunity of being heard,-

(a) in the case of an order of assessment or penalty,-

(i) confirm, reduce, enhance or annul the assessment or penalty or both;

(ii) set aside the assessment and direct the assessing authority to make a fresh assessment after such further enquiry as may be directed; or

(iii) pass such other orders as it may think fit;

(b) in the case of any other order, confirm, cancel or vary such order.

(6) Every order passed on appeal under this section shall subject to the provisions of sections [1][8, 17, 18 and 18A][1], be final.

1. Substituted by Act 1 of 1985 w.e.f. 9.1.1985.

**17. Appeal to the Appellate Tribunal.-** (1) Any employer or any person objecting to an order passed by the [1][Joint Commissioner][1] under section 16 may appeal to the Tribunal within sixty days from the date on which the order was communicated to him.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

(2) The provisions of the Karnataka Appellate Tribunal Act, 1976 (Karnataka Act 10 of 1976) shall be applicable to all appeals preferred to the Tribunal under sub-section (1).

**18. Revision by Commissioner [1][Additional Commissioner, Joint Commissioner and Deputy Commissioner][1].-** [2][(1) The Deputy Commissioner may, on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any officer who is not above the rank of Profession Tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.

2. Sub-sections (1) to (6) substituted by Act 11 of 1993 w.e.f. 1.4.1993.

(2) The Joint Commissioner may, on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any assessing authority subordinate to him is erroneous in so far as it is prejudicial to the interest of revenue he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

(3) The Additional Commissioner may on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any officer who is not above the rank of a Joint Commissioner is erroneous in so far as it is prejudicial to the interests of revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being, heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

(4) The Commissioner may on his own motion call for and examine the record of any proceeding under this Act and if he considers that any order passed therein by any officer subordinate to him is erroneous in so far as it is prejudicial to the interests of revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary pass such orders thereon as the circumstances of the case justify including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

(5) The power under sub-sections (1), (2), (3) and (4) shall be exercisable only within a period of four years from the date of the order sought to be revised was passed.

***Explanation.-*** In computing the period of limitation for the purpose of this sub-section, any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

(6) Any order passed,-

(i) by the Commissioner under sub-section (4) shall subject to sections 8 and 18-A, be final;

(ii) by the Additional Commissioner under sub-section (3) shall, subject to section 8, sub-section (4) of this section and section 18-A, be final;

(iii) by the Joint Commissioner under sub-section (2) shall, subject to section 8, section 17, sub-sections (3) and (4) of this section and section 18-A, be final; and

(iv) by the Deputy Commissioner under sub-section (1) shall, subject to section 8, section 17, sub-sections (3) and (4) of this section and section 18-A, be final.][2]

[1][(7)][1] Any employer, not being an officer of Government or any person objecting to an order passed under [2][sub-sections (3) and (4)][2] may appeal to the High Court within sixty days from the date on which the order was communicated to him:

1. Renumbered by Act 11 of 1993 w.e.f. 1.4.1993.
2. Substituted by Act 11 of 1993 w.e.f. 1.4.1993

Provided that the High Court may admit an appeal preferred after the period of sixty days aforesaid, if it is satisfied that the assessee had sufficient cause for not preferring the appeal within time.

[1][(8)][1] The appeal shall be in the prescribed form, shall be varified in the prescribed manner and shall be accompained by a fee of one hundred rupees.

1. Renumbered by Act 11 of 1993 w.e.f. 1.4.1993.

[1][(9)][1] The High Court shall, after giving both parties to the appeal a reasonable opportunity of being heard pass such order thereon as it thinks fit.

1. Renumbered by Act 11 of 1993 w.e.f. 1.4.1993.

[1]**[18A. Revision by High Court in certain cases.-** (1) Within sixty days from the date on which an order under section 17 of the Act was communicated to him, the appellant or the respondent may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either failed to decide or decided erroneously any question of law:

Provided that the High Court may admit the petition preferred after the period of sixty days aforesaid, if it is satisfied that the petitioner has sufficient cause for not preferring the petition within that period..

(2) The petition shall be in the prescribed form and shall, when it is preferred by any person other than the State Government, be accompained by a fee of fifty rupees.

(3) If the High Court, on pursuing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily;

Provided that no petition shall be dismissed unless the petitioner has had a reasonable opportunity of being heard in support thereof.

(4) (a) If the High Court does not dismiss the petition summarily, it shall, after giving both the parties to the petition a reasonable opportunity of being heard, determine the question or questions of law raised and either reverse, affirm or amend the order against which the petition was preferred or remit the matter to the Appellate Tribunal with the opinion of the High Court on the question or questions of law raised or pass such other order in relation to the matter as the High Court thinks fit.

(b) Where the High Court remits the matter to the Appellate Tribunal under clause (a) with its opinion on the questions of law raised, the latter shall amend the order passed by it, in conformity with such opinion.

(5) Before passing an order under sub-section (4), the High Court may, if it considers necessary so to do, remit the petition to the Appellate Tribunal and direct it to return the petition with its finding on any specific question or issue.

(6) Notwithstanding that a petition has been preferred under sub-section (1), the tax shall be paid in accordance with the assessment made in the case:

Provided that if as a result of the petition, any change becomes necessary in such assessment, the High Court may authorise the assessing authority to amend the assessment and the assessing authority shall amend the assessment accordingly and thereupon the amount paid in excess by the assessee shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with the provisions of the Act, as the case may be.

(7) (a) The High Court may, on the application of either party to the petition, review any order passed by it under sub-section (4) on the basis of facts which were not before it when it passed the order.

(b) The application for review shall be preferred within ninety days from the date of communication of the order sought to be reviewed and shall be in such form and such manner as may be prescribed, and shall, where it is preferred by any person other than the State Government shall be accompained by a fee of fifty rupees.

(8) With a view to rectifying any mistake apparent from the record, the High Court may, at any time within five years from the date of the order passed by it, amend such order:

Provided that no order under this sub-section shall be made without giving the parties affected a reasonable opportunity of being heard.

(9) In respect of every petition preferred under this section, the costs shall lie in the discretion of the High Court.][1]

1. Inserted by Act 1 of 1985 w.e.f. 9.1.1985.

**19. Accounts.-** (1) If the assessing authority is satisfied that the books of account and other documents maintained by an employer in the normal course of his business are not adequate for verification of the returns filed by the employer under this Act, it shall be lawful for it to direct the employer to maintain the books of account or other documents in such manner as it may in writing direct and thereupon the employer shall within the time specified therein maintain such books of account or other documents accordingly.

[1][(1A) The books of account and other documents maintained by an employer under sub-section (1), shall be preserved for a period of five years from the close of the year to which they relate.][1]

1. Inserted by Act 5 of 1992 w.e.f. 1.4.1992.

(2) Where an employer wilfully fails to maintain the books of accounts or other documents as directed under sub-section (1) [1][or to preserve the books of account and other documents as specified under sub-section (1A)][1], the assessing authority may, after giving him an opportunity to make representation, impose a penalty not exceeding rupees five for each day of delay.

1. Inserted by Act 5 of 1992 w.e.f. 1.4.1992.

**20. Special mode of recovery.-** (1) Notwithstanding anything in any law or contract to the contrary, the assessing authority may, at any time or from

time to time, by notice in writing, a copy of which shall be forwarded to the assessee at his last address known to the assessing authority require,-

(a) any person from whom any amount or money is due, or may become due to such assessee on whom a notice of demand has been served under this Act, or

(b) any person who holds or may subsequently hold money for or on account of such assessee,

to pay the assessing authority either forthwith upon the money becoming due or being held or at or within the time specified in the notice (but not before the money becomes due or is held as aforesaid) so much of money as is sufficient to pay the amount due by the assessee in respect of the arrears of tax, penalty or interest under this Act, or the whole of the money when it is equal to or less than that amount.

***Explanation.-*** For the purpose of this section the amount of money due to an assessee from, or money held for or on account of an assessee by, any person shall be calculated after deducting therefrom such claims (if any) lawfully subsisting or as may have fallen due for payment by such assessee to such person.

(2) The assessing authority may at any time or from time to time amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the assessee, and the receipt of the assessing authority shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount refereed to in the receipt.

(4) Any person discharging any liability to the assessee after receipt of the notice referred to in this section, shall be personally liable to the assessing authority to the extent of the liability discharged or the extent of the liability of the assessee for tax, penalty or interest, whichever is less.

(5) Where a person to whom a notice under this section is sent proves to the satisfaction of the assessing authority that the sum demanded or any part thereof is not due to the assessee or that he does not hold any money for or on account of the assessee, then, nothing contained in this section shall be deemed to require such person to pay any such sum or part thereof, to the assessing authority.

(6) Any amount of money which a person is required to pay the assessing authority or for which he is personally liable to the assessing authority under this section, shall, if it remains unpaid, be recoverable as an arrear of land revenue.

**21. Production and inspection of accounts and documents and search of premises.**- Any authority under this Act may inspect and search any premises, where any profession, trade, calling or employment liable to taxation under this Act is carried on or is suspected to be carried on and may require production and examination of books, registers, accounts or documents relating thereto and may seize such books, registers, accounts or documents as may be necessary:

Provided that, if the said authority removes from the said premises any book, register, account or document, it shall give to the person in charge of the place, a receipt describing the book, register, account or document so removed by it and retain the same only for so long as may be necessary for the purposes of examination thereof or for a prosecution.

**22. Refunds.-** Any person who has paid any tax or penalty or interest or fee in excess of the amount due under this Act may apply to the assessing authority for a refund or adjustment of such amount towards future tax and the amount paid in excess shall be refunded or adjusted accordingly.

**23. Offences and penalties.-** Any person or employer who, without sufficient cause, fails to comply with any of the provisions of this Act, or the rules framed thereunder shall, on conviction, be punished with fine which may extend to five thousand rupees and when the offence is a continuing one, with fine which may extend to fifty rupees per day of such continuance.

**24. Offences by companies.-** (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of and was responsible for the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

***Explanation.-*** For the purposes of this section,-

(a) 'company' means any body corporate and includes a firm or other association of individuals; and

(b) 'director' in relation to a firm, means a partner in the firm.

**25. Power to transfer proceedings.-** The Commissioner may, by order in writing transfer any proceedings or class of proceedings under any provision of this Act from any officer to any other officer not lower in status than the former.

***Explanation.-*** In this section, the word " proceedings" in relation to any assessee whose name is specified in any order issued thereunder, means all proceedings under this Act in respect of any year, which may be pending on the date of such order or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order in respect of any year in relation to such assessee.

**26. Compounding of offences.-** (1) Subject to such conditions as may be prescribed, the assessing authority may, either before or after the institution of prosecution, permit any person charged with the offence to compound the offence on payment of such sum, not exceeding double the amount of tax to which the offence relates, as the assessing authority may determine.

(2) On payment of such sum, as may be determined by the assessing authority under sub-section (1), no further proceedings shall be taken against the person in respect of the same offence.

**27. Powers to enforce attendance, etc.-** All authorities under this Act shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 while trying a suit in respect of enforcing the attendance of, and examining any person on oath or affirmation or for compelling the production of any document.

**28. Bar of suits etc.-** (1) No suit shall lie in any civil court to set aside or modify any assessment made or order passed under this Act.

(2) No suit, prosecution, or other legal proceedings shall lie against any authority under this Act or against any employer for anything done or intended to be done in good faith under this Act or the rules framed thereunder.

[1]**[28A. Appearance before any authority in proceedings.-** Any person who is entitled to appear before any authority other than the High Court, in connection with any proceedings under this Act, may be represented before such authority,-

(a) by a legal practitioner; or

(b) by a Chartered Accountant; or

(c) by a Sales Tax Practitioner enrolled as such under the Karnataka Sales Tax Act 1957 (Karnataka Act 25 of 1957)][1]

1. Inserted by Act 1 of 1985 w.e.f. 9.1.1985.

**29. Power to exempt.-** [1][(1)][1] The State Government may, by notification, make an exemption or reduction in the rate of tax payable by any specified class of persons subject to such restrictions and conditions as may be specified in the notification.

1. Renumbered by Act 18 of 1994 w.e.f. 1.4.1994.

[1][(2) The State Government may, by notification, cancel or vary a notification issued under sub-section (1).

(3) Any notification issued under sub-section (1) shall be valid until it is cancelled under sub-section (2), notwithstanding that the tax payable in accordance with such notification in respect of any specified class of persons is modified by an amendment to this Act.][1]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

**30. Local authorities not to levy profession tax.-** (1) Notwithstanding anything in any enactment governing the constitution or establishment of a local authority, no local authority shall, on or after the commencement of this Act levy any tax on profession, trades, callings or employments.

(2) The provisions in such enactment authorising the local authority to levy such tax shall stand repealed.

***Explanation.-*** For purposes of this section, 'local authority' means a municipal corporation, a municipality or [1][a village panchayat][1] established by or under any law for the time being in force in the State.

1. Substituted by Act 26 of 1982 w.e.f. 27.7.1982.

**31. Cesses not to be levied in certain cases.-** Notwithstanding anything in any law for the time being in force no cess shall be levied on tax on professions, trades, callings and employments under any such law and provisions in such law authorising such levy and collection shall, on and from the date of commencement of this Act, stand repealed.

**32. Grants to local authorities for loss of revenue.-** Out of the proceeds of the tax and penalties and interest and fees recovered under this Act, there shall be paid annually to such local authorities as were levying immediately before the commencement of this Act a tax on professions, trades, callings and employments such amounts on the basis of the highest collections made by them in any year during the period of three years immediately preceding the commencement of this Act, as may be determined by the State Government in this behalf.

**33. Power to make rules.-** (1) The State Government may, by notification in the official Gazette and after previous publication make rules to carry out the purposes of this Act:

Provided that, if the State Government is satisfied that circumstances exist which render it necessary to take immediate action, it may dispense with previous publication of any rules to be made under this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for the fees payable in respect of any applications to be made, the forms to be supplied, the certificates to be granted and appeals and applications for revision to be made under this Act.

(3) Every rule made under this Act shall be laid as soon as may be after it is made, before each house of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session in which it is so laid or the sessions immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rules should not be made, and notify such decision in the official Gazette, the rule shall from the date of publication of such notification have effect only in such modified form or be or no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

**34. Power to remove difficulties.-** If any difficulty arises in giving effect to the provisions of this Act, the State Government, may by notification, make such provisions, not inconsistent with this Act, as appears to it to be necessary or expedient for removing the difficulty

**[1][SCHEDULE**

1. Schedule including the explanations substituted by Act 7 of 2003 w.e.f. 1.4.2003.

**[See Section 3(2)]**

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| 1. | Salary or wage earners whose salary or wage or both, as the case may be, for a month is,- | |
| | (a) not less than Rs.3,000 but less than Rs.5,000 | Rs.30 per month |
| | (b) not less than Rs.5,000 but less than Rs.8,000 | Rs.60 per month |
| | (c) not less than Rs.8,000 but less than Rs.10,000 | Rs.100 per month |
| | (d) not less than Rs.10,000 but less than Rs.15,000 | Rs.150 per month |
| | (e) Rs.15,000 and above | Rs.200 per month |
| [1][2. | Legal practitioners including Solicitors and Notaries Public:- | |
| | (a) in the Bangalore Urban Agglomeration where standing in the profession is- | |
| | (i) less than 10 years | Nil |
| | (ii) 10 years or more but less than 20 years | Rs.1500 per annum |
| | (iii) 20 years or more | Rs.2500 per annum |
| | (b) in any other area in the State is- | |
| | (i) less than 10 years | Nil |
| | (ii) 10 years or more but less than 20 years | Rs.1000 per annum |
| | (iii) 20 years or more | Rs.1500 per annum][1] |
| | 1. Substituted Act by 11 of 2005 w.e.f. 1.4.2005 | |
| 3 | Technical and Professional Consultants other than those mentioned elsewhere in the Schedule but including plumbing and Tax consultants:- | |
| | (a) in the Bangalore Urban Agglomeration where standing in the profession is- | |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | (i) less than 2 years | Nil |
| | (ii) 2 years or more but less than 5 years | Rs.1000 per annum |
| | (iii) 5 years or more but less than 10 years | Rs.1500 per annum |
| | (iv) 10 years or more | Rs.2500 per annum |
| | (b) in any other area in the State is- | |
| | (i) less than 2 years | Nil |
| | (ii) 2 years or more but less than 10 years | Rs.1000 per annum |
| | (iii) 10 years or more | Rs.1500 per annum |
| 4 | (i) Chief Agents, Principal Agents, Special Agents, Insurance Agents and Surveyors or Loss Assessors registered or licensed under the Insurance Act, 1938 (Central Act IV of 1938) whose annual income is not less than Rs.36,000. | Rs.1500 per annum |
| | (ii) Pigmy Agents or UTI Agents whose annual income is not less than Rs.36,000. **Explanation:** For the purpose of this item income shall be deemed to be the commission or any other remuneration by whatever name called, earned by the person as such Chief Agent, Principal Agent, Special Agent, Insurance Agent, Survey or Loss Assessor or Pigmy Agents or UTI Agents. | Rs. 1000 per annum |
| 5 | Chartered Accountants and Actuaries where the standing in the profession is,- | |
| | (i) Less than 2 years | Nil |
| | (ii) Not less than 2 years but less than 5 years | Rs.1000 per annum |
| | (iii) 5 years or more | Rs.2500 per annum |
| 6 | Medical Practitioners, including Medical Consultants (other than practitioners of Ayurvedic, Homeopathic and Unani Systems of medicines), Dentists, Radiologists, Pathologists and persons engaged in other similar professions or callings of a para- | |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | similar professions or callings of a para-medical nature:-<br>(a) in the Bangalore Urban Agglomeration where standing in the profession is-<br>(i) Less than 2 years<br>(ii) 2 years or more but less than 5 years<br>(iii) 5 years or more<br><br>(b) in any other area in the State-<br>(i) Less than 2 years<br>(ii) 2 years or more but less than 5 years<br>(iii) 5 years or more but less than 10 years<br>(iv) 10 years or more | <br><br><br>Nil<br>Rs.1000 per annum<br>Rs.2500 per annum<br><br><br>Nil<br>Rs.1000 per annum<br>Rs.1500 per annum<br>Rs.2500 per annum |
| 7 | Engineers, RCC Consultants, Architects and Management Consultants-<br>(a) in the Bangalore Urban Agglomeration where standing in the profession is-<br>(i) Less than 2 years<br>(ii) 2 years or more but less than 5 years<br>(iii) 5 years or more<br><br>(b) in any other area in the State-<br>(i) Less than 2 years<br>(ii) 2 years or more but less than 10 years<br>(iii) 10 years or more | <br><br><br><br>Nil<br>Rs.1000 per annum<br>Rs.2500 per annum<br><br><br>Nil<br>Rs.1000 per annum<br>Rs.1500 per annum |
| 8 | Members of Stock-Exchanges recognized under the Security Contracts (Regulation) Act, 1956 | Rs.2500 per annum |
| 9 | Estate agents or brokers,<br>(i) in Bangalore Urban Agglomeration,<br><br>(ii) in any other area in the State<br>(a) Income tax payees<br><br>(b) Other than (a) above | Rs.2500 per annum<br><br><br>Rs.1500 per annum<br><br><br>Rs.1000 per annum |
| 10 | Contractors executing works contract (as | |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | defined under the Karnataka Sales Tax Act, 1957 or the Karnataka Value Added Tax Act, 2003) where total consideration of all the contracts in a year is:- | |
| | (i) less than Rs.2 lakhs | Nil |
| | (ii) more than Rs. 2 lakhs but less than Rs.10 lakhs | Rs.1000 per annum |
| | (iii) more than Rs.10 lakhs but less than Rs.25 lakhs | Rs.1500 per annum |
| | (iv) more than Rs.25 lakhs | Rs.2500 per annum |
| 11 | (i) Race horse owners and trainers licensed by the turf clubs. | Rs.2500 per annum |
| | (ii) Jockeys licensed by the turf clubs / race clubs- | |
| | (a) in case of Apprentice Jockeys | Rs.1000 per annum |
| | (b) other than (a) above | Rs.2500 per annum |
| | (iii) Bookmakers licensed by turf clubs | Rs.2500 per annum |
| 12 | Self-employed persons in the motion picture industries as follows: | |
| | (a) Directors, Actors and Actresses (excluding Junior Artists), Playback Singers, recordists, editors | |
| | (i) Income tax payees | Rs.2500 per annum |
| | (ii) other than (i) above | Rs.1500 per annum |
| | (b) Cameramen and still photographers | Rs.900 per annum |
| 13 | Dealers registered or liable to be registered under the Karnataka Sales Tax Act, 1957 or the Karnataka Value Added Tax Act, 2003 whose total turnover in any year is- | |
| | (a) Upto Rs.2 lakhs | Nil |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | (b) not less than Rs.2 lakhs but less than Rs.10 lakhs | Rs.1000 per annum |
| | (c) not less than Rs.10 lakhs but less than Rs.25 lakhs | Rs.1500 per annum |
| | (d) Rs.25 lakhs or more | Rs.2500 per annum |
| 14 | Occupiers of factories as defined under the Factories Act, 1948 | Rs.1000 per annum |
| 15 | Employers of establishments defined under the Karnataka Shops and Commercial Establishments Act, 1961,- | |
| | (i) Where there are no employees | Nil. |
| | (ii) Where not more than 5 employees are employed | Rs.1000 per annum |
| | (iii) Where more than 5, but not more than 10 employees are employed | Rs.1500 per annum<br>Rs.2500 per annum |
| | (iv) Where more than 10 employees are employed | Rs.2500 per annum |
| 16 | Owners of Oil Pumps and Service stations | Rs.2500 per annum |
| 17 | (i) Licensed wholesale dealers of liquors other than toddy and arrack | Rs.2500 per annum |
| | (ii) Licensed imported foreign liquor vendors other than those specified in (i) above. | Rs.2500 per annum |
| 18 | (i) Owners of residential hotels or lodging houses having less than 20 rooms | Rs.1500 per annum |
| | (ii) Owners of residential hotels or lodging houses having 20 rooms or more | Rs.2500 per annum |
| 19 | (i) Owners of cinema theatres but excluding touring talkies. | Rs.2500 per annum |
| | (ii) Owners of touring talkies | Rs.1500 per annum |
| | (iii) Owners of video parlours | Rs.1000 per annum |
| 20 | Holders of permits of transport vehicles (other than auto rickshaws) granted under | |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | the Motor Vehicles Act, 1988.- | |
| | (a) owning only one vehicle | Rs.1000 per annum |
| | (b) owning more than one vehicle | Rs.2500 per annum |
| 21 | Money lenders licensed under the Karnataka Money Lenders' Act, 1961 | Rs.2500 per annum |
| 22 | Individuals or institutions conducting chit funds | Rs.2500 per annum |
| 23 | Cooperative Societies registered under the Karnataka Cooperative Societies Act and engaged in any profession, trade or calling.- | |
| | (i) State level societies | Rs.2500 per annum |
| | (ii) Cooperative sugar factories, spinning mills and banks | Rs.2500 per annum |
| | (iii) District level societies | Rs.1500 per annum |
| | (iv) Below district level but not below taluk level societies | Rs.1000 per annum |
| 24 | Banking companies as defined in the Banking Regulations Act, 1949 | Rs.2500 per annum |
| 25 | Companies registered under the Companies Act, 1956 and engaged in any profession, trade or calling. | Rs.2500 per annum |
| 26 | Each partner of a firm engaged in any profession, trade or calling. | Rs.1000 per annum |
| 27 | Agriculturists growing plantation crops as defined in the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957) | |
| | (a) in extents of land exceeding 15 acres and less than 50 acres | Rs.1500 per annum |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | (b) in extents of land exceeding 50 acres | Rs.2500 per annum |
| 28 | Photo laboratories, film processing laboratories and photo studios.- | |
| | (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town | Rs.1500 per annum |
| | (ii) in any other area in the State | Rs.500 per annum |
| 29 | (a) Nursing home and hospital other than those run by the State or Central Government. | Rs.2500 per annum |
| | (b) Pathological testing laboratories and X-ray clinics.- | |
| | (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town | Rs.2500 per annum |
| | (ii) in any other area in the State. | Rs.1000 per annum |
| 30 | Beauty parlours, dry cleaners and interior decorators- | |
| | (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town | Rs.1500 per annum |
| | (ii) in any other area in the State. | Rs.1000 per annum |
| 31 | Film distributors | Rs.2500 per annum |
| 32 | (a) Travel agents not falling under sub-item (b) below.- | |
| | (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town | Rs.1500 per annum |
| | (ii) in any other area in the State. | Rs.1000 per annum |
| | (b) Air travel agents | Rs.2500 per annum |
| 33 | Journalists | Rs.1000 per annum |
| 34 | Advertising firms / agencies | Rs.2500 per annum |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| 35 | Persons using photocopying machines for job works | Rs.1000 per annum |
| 36 | Video cassette libraries | Rs.1000 per annum |
| 37 | Educational Institutions and Tutorial Colleges or Institutes (other than those owned by the State or Central Government or Institutions teaching Kannada or English shorthand or typewriting). | Rs.2500 per annum |
| 38 | Persons owning / running STD/ISD/FAX Booths other than those owned / run by Government or physically handicapped persons.- | |
| | (i) In the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town | Rs.600 per annum |
| | (ii) In any other area in the State. | Rs.300 per annum |
| 39 | Persons providing entertainment using Dish Antennae and Cable TV- | |
| | (i) In the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town | Rs.1500 per annum |
| | (ii) In any other area in the State. | Rs.1000 per annum |
| 40 | Property Developers including Land Developers and Building / Flat Developers | Rs.2500 per annum |
| 41 | Persons owning / running, | |
| | (a) Computer Institutes selling time, | Rs.2500 per annum |
| | (b) Computer Training Institutes / Driving Institutes / Technical Training Institutes | Rs.1500 per annum |
| 42 | Persons owning Marriage Halls / Kalyana Mantaps. | Rs.2500 per annum |
| 43 | Owners of bars and restaurants within the limits of City Municipal Corporation. | Rs.2500 per annum |
| 44 | Licence Holders of distilleries, bottling units and vending of arrack (other than sub | Rs.2500 per annum |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | lessees) | |
| 45 | (a) Cinematograph film processors. | Rs.2500 per annum |
| | (b) Owners of outdoor film shooting units | Rs.2500 per annum |
| 46 | Persons licensed or approved as contractors by the Railways, State or Central Government, Corporations, Local Authorities or any other person or agency, namely, Contractors constructing roads, dams, canals, bridges, culverts including civil or masonry work, railways sleeper contractors, forest contractors and electrical contractors; where the total consideration of all the contract in a year is.- | |
| | (a) Upto Rs. 2 lakhs | Nil |
| | (b) Rs.2 lakhs and above but less than Rs.10 lakhs | Rs.1000 per annum |
| | (c) Rs. 10 lakhs and above but less than Rs.25 lakhs | Rs.1500 per annum |
| | (d) Rs. 25 lakhs and above | Rs.2500 per annum |
| 47 | Transport contractors including forwarding and clearing agents | Rs.2500 per annum |
| 48 | Bankers who are financing the trade against hundies or other securities by way of short term advance on interest. | Rs.1500 per annum |
| 49 | (a) Authorised Assistant recognized by Stock Exchange | Rs.1000 per annum |
| | (b) Stock brokers, sub-brokers recognized by the Stock Exchange Board of India | Rs.2500 per annum |
| 50 | Persons running weigh bridges | Rs.1000 per annum |
| 51 | (a) Persons operating courier service | Rs.2500 per annum |
| | (b) Agents of courier service.- | Rs.600 per annum |
| | (i) in Bangalore Urban Agglomeration | Rs.300 per annum |
| | (ii) in any other area in the State. | |
| 52 | Persons operating wireless services including pagers service. | Rs.2500 per annum |
| 53 | (a) Persons operating mobile telephone | Rs.2500 per annum |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| | service | |
| | (b) Persons providing internet service running internet cafes, information kiosks. | Rs.2500 per annum |
| | (c) Persons operating e-commerce business | Rs.2500 per annum |
| 54 | Persons operating Air taxi and helicopter services | Rs.2500 per annum |
| 55 | (a) Persons running clubs including recreation clubs | Rs.2500 per annum |
| | (b) Persons operating gymnasium | Rs.2500 per annum |
| 56 | Persons organizing events, pageants, fashion shows and the like. | |
| 57 | Persons operating city-taxi services | Rs.2500 per annum |
| | (i) in the Bangalore Urban Agglomeration | Rs.1500 per annum |
| | (ii) in any other area in the State | Rs.1000 per annum |
| 58 | Persons providing bill boards | Rs.1000 per annum |
| 59 | Designers and landscaping consultants, Vaastu, Fengshui and other similar consultants | |
| | (i) in the Bangalore Urban Agglomeration | Rs.1500 per annum |
| | (ii) in any other area in the State | Rs.1000 per annum |
| 60 | Persons engaged in placement services | Rs.2500 per annum |
| 61 | Persons running IT call centres | Rs.2500 per annum |
| 62 | Multi-system operators (TV signal providers) | Rs.2500 per annum |
| 63 | Yoga and Reiki Training Centres | |
| | (i) in the Bangalore Urban Agglomeration | Rs.1500 per annum |
| | (ii) in any other area in the State | Rs.1000 per annum |
| 64 | Persons trading in REP licences and Exim scrips | Rs.2500 per annum |
| 65 | On line lottery centres and agents | |
| | (i) in the Bangalore Urban Agglomeration | Rs.1500 per annum |
| | (ii) in any other area in the State | Rs.1000 per annum |
| 66 | Persons running security services | Rs.2500 per annum |
| 67 | Private radio broadcasters and operators | Rs.1500 per annum |
| | Astrologers, Astropalmists, Numerologists and Faith healers | Rs. 1500 per annum |

| Sl. No. | Class of persons | Rate of tax |
|---|---|---|
| 68 | (i) in the Bangalore Urban Agglomeration<br>(ii) in any other area in the State | Rs. 1000 per annum |
| 69 | Persons other than those mentioned in any of the preceding entries who are engaged in professions, trades, callings or employments as the State Government may from time to time by Notification specify. | Rs.1000 per annum |

**Explanation I.** - Notwithstanding anything in this Schedule, where a person is covered by more than one entry in the Schedule the highest rate of tax specified under any of those entries shall be applicable in his case.

**Explanation II**.- For purposes of determining the liability and the rate of tax in terms of Serial Number 15 in this Schedule, the higher number of workers and / or employees and / or employees at any time during the year shall be reckoned as the basis.

**Explanation III**.- For the purposes of Serial No. 16 of this Schedule where the oil pump or service station is held on lease by a lessee, such lessee shall be deemed to be the person liable under the Act.

**Explanation IV**.- No tax shall be levied under this Act on any firm except when it is engaged in any profession, trade or calling specified in Serial Numbers 2(a)(iii), 3(a)(iv), 5(iii), 6(a)(iii), 6(b)(iv), 7(a)(iii), 8, 8(i), 10(iv), 11(i), 11(ii)(b), 11(iii), 13(d), 15(iv), 16, 17, 18(ii), 19(i), 20(b), 21, 22, 27(b), 29(a), 29(b)(i), 31, 32(b), 34, 37, 40, 41(a), 42, 43, 44, 45, 46(d), 47, 49(b), 51(a), 52, 53, 54, 55, 56, 60, 61, 62, 64 and 66 of the Schedule.

**Explanation V**. - No tax shall be levied under this Act on any partner of a firm, which is engaged in any profession, trade or calling specified in Explanation IV above.

**Explanation VI.-** Notwithstanding anything contained in the Schedule, every branch of any self-employed assessee enumerated in any item of the Schedule shall be deemed to be a separate assessee for the purpose of levy of profession tax specified in the Schedule][1].

* * *

# KARNATAKA ACT NO.5 OF 2001

# THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2001

## ARRANGEMENT OF SECTIONS

**Sections:**

1. Short title and commencement
2. Amendment of Karnataka Act 22 of 1957
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act 30 of 1958
5. Amendment of Karnataka Act 35 of 1976
6. Amendment of Karnataka Act 22 of 1979
7. Amendment of Karnataka Act 27 of 1979
8. Validation of Assessments, etc.
9. Validation of certain notifications
10. Declaration.

## STATEMENT OF OBJECTS AND REASONS

To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976) and the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957). Certain consequential amendments are also made.

Hence the Bill.

(Vide L.A.Bill No. 7 of 2001 File No. ಸಂವ್ಯಶಾಇ 9 ಶಾಸನ 2001 )

## KARNATAKA ACT NO. 5 OF 2001

*(First Published in the Karnataka Gazette Extra-ordinary on the thirty first day of March, 2001)*

## THE KARNATAKA TAXATION LAWS (AMENDMENT) Act, 2001

*(Received the assent of the Governor on the thirty first day of March, 2001)*

An Act further to amend certain taxation laws as in force in the State of Karnataka.

Whereas, it is expedient further to amend certain taxation laws for the purposes hereinafter appearing.

Be it enacted by the Karnataka State Legislature in the Fifty-second year of the Republic of India, as follows. -

**1. Short title and commencement. -** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2001.

(2) It shall come into force from the first day of April 2001.

**2. Amendment of Karnataka Act 22 of 1957. -** In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), in section 42, in sub-section (1),-

(i) in clause (ii),

(a) for the words "a penalty", the word "interest" shall be and shall be deemed always to have been *substituted;*

(b) for the words "one and one half per cent of the tax remaining unpaid for each month for the first three months", the words "two per cent of the amount of tax or any other amount due

Published in the Karnataka Gazette Part IV-A, Extraordinary No.656 dated 31-3-2001 in Notification No. ಸಂವ್ಯಶಾಇ 9 ಶಾಸನ 2001)

remaining unpaid for each month" shall be *substituted;*

(c) clause (b) shall be ommitted.

(ii) in the Explanation, for the words "a penalty", the word "interest" shall be and shall be deemed always to have been *substituted*.

**3. Amendment of Karnataka Act 25 of 1957. -** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), -

(1) in Section 2, in sub-section (1), in clause (o-1), -

(i) after the words "coffee curing works", the punctuation mark and the words ", hulling of coffee beans and coffee seeds in a coffee hulling unit" shall be *inserted*;

(ii) after the words "such works", the words "or such unit" shall be *inserted*;

(iii) in the explanation, after item (iii-a), the following shall be *inserted,* namely:-

"(iii-b) "**Coffee hulling unit**" means the plant and machinery with which and the premises including the precincts there of in which or in any part of which, hulling or curing coffee beans or coffee seeds is carried on;"

(2) in Section 5, after sub-section (3-C), the following shall be *inserted*, namely.-

"(3-CC) Notwithstanding anything contained in sub-section (3), in the case of any of the goods mentioned in column (2) of the Ninth Schedule whether such goods has already been subjected to tax or not under clause (a) of sub-section (3) by a dealer liable to tax under this Act, a tax at the rate specified in the corresponding entries

in column (3) of the said Schedule shall be levied at the point of second or subsequent sale in the State on the taxable turnover of sales of such dealer in each year relating to such goods.

**Explanation.-** For the purposes of this sub-section, second or subsequent sale shall be the sale by the dealer other than the dealer liable to tax under clause (a) of sub-section (3), to a consumer or another dealer and shall not include first sale in the State."

(3) for Section 5-A, the following shall be *substituted*, namely:-

**"5-A. Reimbursement of tax on Industrial Inputs:**

(1) Where a registered dealer purchases any industrial input liable to tax under Section 5 from another registered dealer for use by the former as a component part or raw material or packing material of any other goods which he intends to manufacture inside the state for sale or purchases consumables liable to tax under Section 5 for use in such manufacture, he shall be eligible for reimbursement of tax,

(a) in respect of declared goods mentioned in column (2) of the Fourth Schedule, paid at a rate exceeding three per cent on the turnover relating to such purchase;

(b) in respect of any other goods, paid at a rate exceeding two per cent on the turnover relating to such purchase.

(2) Such amount shall be reimbursed to the registered dealer making such purchase,

(i) by adjustment towards tax payable by him for any month or year as the case may be, under the Act or the Central Sales Tax Act, 1956 (Central Act 74 of 1956) or the Karnataka Tax on Entry of Goods Act,

1979 (Karnataka Act 27 of 1979), in such manner and subject to such condition as may be prescribed;

(ii) by refund in such manner and subject to such condition as may be prescribed.

Provided further that such re-imbursement shall be made only against a bill or cash memorandum issued by the seller showing separately the amount collected by way of tax.

Provided also that if any dealer, after claiming re-imbursement of tax on purchase of any inputs under the first proviso to this sub-section fails to make use of the whole or part of such inputs in the manufacture of other goods before the expiry of the accounting year immediately succeeding the one in which such inputs are purchased, either due to cessation of his manufacturing activity or for any other reason, but has not sold away such inputs, he shall be liable to pay the difference between the tax payable at the rate specified under Section 5 and the tax computed at the rate of two or three per cent, as the case may be, on the turnover relating to the sale of such quantity of these inputs to him as have remained unutilized with him for the declared purpose at the end of the period specified above.

(3) If any person,-

(i) not having his manufacturing unit inside the State, purchases any inputs and claims reimbursement under sub-section (2), or

(ii) having his manufacturing unit inside the State and claiming reimbursement on purchase of any inputs under sub-section (2), sells away such inputs contrary to such claim, the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum, which shall

not be less than double the amount of tax leviable under Section 5 on the sale of the inputs so purchased, but which shall not exceed three times the amount of such tax;

(iii) having his manufacturing unit inside the State and claiming reimbursement on purchase of any inputs under sub-section (2), uses such inputs contrary to such claim, the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum which shall not be less than twice the amount of tax leviable under Section 5 but not exceeding thrice the amount of such tax on the inputs so purchased.

(4) (a) Every dealer who, during the course of the year, claims re-imbursement of tax on purchase of any inputs under sub-section (2), shall maintain in the prescribed manner a day to day account of the opening balance, purchases, consumption and closing balance of every input, which is purchased by him under sub-section (2).

(b) If any dealer fails to maintain in the prescribed manner, true and complete accounts as required by clause (a) of this sub-section, the assessing authority shall, after giving such dealer a reasonable opportunity of being heard pass an order,-

(i) disentitling such dealer from making use of re-imbursement specified under sub-section (2); and

(ii) imposing upon him a penalty not exceeding double the amount of tax leviable under the provisions of section 5 on the sale value of the inputs already purchased by him on which he has claimed re-imbursement.

(c) If any dealer, in respect of whom an order has been passed under clause (b) of this sub-section, pays the penalty and complies with other terms of such order, the assessing authority may, in his discretion, permit such dealer to claim re-imbursement on purchase of inputs in the State.

**Explanation-I. -** (1) For the purpose of this section, the expressions "industrial inputs", mean either a "component part" or "raw material", or packing materials but do not include cement, wood, bamboo, timber other than veneer, casuarina, eucalyptus, pulpwood and packing shooks and inputs falling under Serial Number 12 of Part "S" and Serial Number 10 of Part "M" of the Second Schedule.

(2) The expression "component part" means an article which forms an identifiable constituent of the finished product and which, along with others, goes to make up the finished product.

(3) The expression "raw material" means any material-

(a) from which another product can be made, through the process of manufacture, either by itself or in combination with other raw materials; or

(b) a processing or any other chemical solvent (including chemicals used for testing, analysis or research) used in the solvent extraction process or a catalyst required in the manufacturing process, but it does not include fuels and consumable stores of similar type.

(4) The expression "consumables" does not include petroleum products falling under Serial Number 11-A of Part 'F', Serial Number 12 of Part 'M' and Serial Number 5 of Part 'P' of the Second Schedule.

**Explanation II. -** For the purpose of this section, the expression "tax payable" shall not include the tax payable under Section 6-B of the Act."

(4) in Section 6-D, for the words "Karnataka Infrastructure Development and Finance Corporation", the words, brackets and figures "Infrastructure Development Corporation (Karnataka) Limited and Bangalore Mass Rapid Transit Limited in the proportion of 67:33 respectively" shall be deemed to have been *inserted* with effect from the First day of April, 1998.

(5) in Section 8-A,

(i) in sub-section (1), after the words "reduction in rate", the words "either prospectively or retrospectively" shall be deemed to have been *inserted* from the First day of April, 2000 and shall be deemed to have been *omitted* from the First day of April, 2001.

(ii) in sub-section (3), after the words "by notification", the words "either prospectively or retrospectively" shall be deemed to have been *inserted* from the First day of April, 2000 and shall be deemed to have been *omitted* from the First day of April, 2001.

(6) in Section 12,-

(i) after sub-section (1-A), the following shall be *inserted,* namely: -

"(1-B) If default is committed in the payment of full amount of tax payable in advance for any year as reduced by any amount of tax already paid under Section 12B, beyond thirty days after the close of the year, whether or not a return as required under sub-section (1) is filed; or if the amount of tax paid is less than the amount of tax so payable, the dealer defaulting payment of tax or making short payment

of tax shall, in addition to the tax, pay interest calculated at the rate of two per cent per month from the thirty first day to the date of payment of such tax or upto the date specified for payment of tax assessed under section 12, as the case may be.";

(ii) in sub-section (4), the following proviso shall be *inserted*, namely. -

"Provided that no penalty shall be levied on any turnover that has been subject to penalty under sub-section (3-A) of Section 12-B."

(7) in Section 12-B. -

(i) in sub-section (2), after the words "such tax", the words and figures "or upto the date specified for payment of tax assessed under Section 12, as the case may be" shall be *inserted.*

(ii) after sub-section (3), the following shall be *inserted* namely.-

"(3-A) When making assessment under sub-section (3), the assessing authority may also direct the dealer to pay in addition to tax assessed, a penalty.-

(a) not exceeding one and a half times but not less than one half of the amount of tax due on turnover that was not disclosed by the dealer in his statement; or

(b) not exceeding one and half times the tax assessed in the case of failure to submit a statement."

(iii) in sub-section (4), for the words "calculated at the rate of two per cent per month of the tax paid in short from the date of expiry of

thirty days after the close of the month or the quarter or the year as the case may be, to which such tax relates", the words " which shall not be less than one half of the tax so paid in short, but not exceeding one and half times the amount by which the tax so paid fall short" shall be *substituted*.

(8) for Section 12-C, the following shall be *substituted,* namely.-

**"12-C. Self-assessment in the case of certain dealers.-**

(1) Notwithstanding anything contained in sub-section (3) of Section 12, the assessing authority in respect of any year commencing from the First day of April, 2000 shall assess a dealer engaged in,

(a) Selling of goods on the basis of return submitted in accordance with sub-section (1) of section 12 without requiring his presence or production of books of accounts subject to the conditions that. -

(i) such goods do not include Cement sold by a first seller, Iron and Steel, Liquor including Beer, Wine and Fenny, Spirits and Alcohol;

(ii) such dealer is not an oil company or is engaged in the execution of any works contract;

(iii) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of

tax on turnovers relating to sales in terms of section 5-A or sales or purchases covered by notifications issued under section 8-A or 19C;

(iv) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax or non-liability to tax on sales or purchases or despatches referred to in Central Sales Tax Act, 1956 (Central Act 74 of 1956).

(b) processing or manufacturing goods whose total turnover in any year is not more than twenty five lakh rupees, on the basis of return submitted in accordance with sub-section (1) of section 12 without requiring his presence or production of books of accounts subject to the conditions that.-

(i) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax on turnovers relating to sales in terms of section 5-A or sales or purchases covered by notifications issued under section 8-A or 19C;

(ii) such dealer has furnished declarations or certificates prescribed along with the return or within a period of six months from the close of the assessment year or before the

completion of assessment proceedings whichever is later, in case of claim to exemption from tax or concessional rate of tax or non-liability to tax on sales or purchases or dispatches referred to in Central Sales Tax Act, 1956 (Central Act 74 of 1956).

(2) Where before completion of self-assessment, return submitted or any compliance furnished under sub-section (1) is found to involve mistake apparent on record, the assessing authority shall afford opportunity to the dealer to submit revised return or to rectify such mistake.

(3) Self-assessment under sub-section (1) shall not be made in respect of a dealer for any year if;

(i) the return filed or any compliances furnished as required by sub-section (1) for any year is incomplete or incorrect or defective, save for mistakes apparent on record;

(ii) it is found that the dealer attempted to conceal any turnover to evade tax, for that year;

(iii) the dealer has ceased to do any business or has closed down business, for that year.

(4) Notwithstanding anything contained in sub-section (1), the Commissioner shall, within a period of seventy five days from the close of the year to which the assessment relates, notify selection of cases for the purpose of scrutiny in entirety of the assessment records and in respect of such cases so found warranted, shall direct the assessing authority concerned to make assessment under sub-section (3) of Section 12.

(5) The assessing authority shall, within a period of sixty days from the date of notification of cases for the purpose of scrutiny assessment under sub-section (4), serve upon the dealer, notice as prescribed demanding payment of tax or issue order of refund as prescribed, on the basis of self-assessment or communicate initiation of proceedings of scrutiny assessment under sub-section (4).

(6) If on scrutiny assessment in cases falling under sub-section (4), it is found that the amount of tax paid by any dealer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.

(7) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 12-A, 21, 22-A and 25-A."

(9) Section 12-E shall be *omitted.*

(10) in Section 13,

(i) in sub-section (1), the following proviso shall be *inserted,* namely. -

"Provided that where the amount paid falls short of the aggregate of the tax or any other amount due and interest payable, the amount so paid shall first be adjusted towards interest payable and the balance, if any, shall be adjusted towards the tax or any other amount due."

(ii) in sub-section (2), in clause (ii),

a) after the words "liable to pay the tax", the words, figures and letters

"other than tax payable in advance for any year under sections 12 and 12B" shall be *inserted*.

b) for the word "penalty", the word "interest" shall be *substituted*.

c) in the explanation, for the word "penalty", the word "interest" shall be *substituted*.

(iii) in sub-section (2-A), for the word "penalty", in the two places it occurs, the word "interest" shall be *substituted*.

(11) in Section 17,

(i) in sub-section (4), in clause (i),

(a) after the words "including beer" and before the punctuation mark, the following words shall be inserted, namely.-

"or a hotelier or a restaurateur operating in the same premises or a premises attached to a place where liquor including beer is served"

(b) the words "whose total turnover in a year is not exceeding one hundred lakh rupees" shall be *omitted*;

(c) for the words "two per cent", the words "four per cent" shall be *substituted.*

(ii) after sub-section (9), the following shall be inserted, namely.-

"(10). Subject to such conditions and such circumstances as may be prescribed, the Assessing Authority of the area may, if a dealer carrying on business in lottery tickets so elects, accept in lieu of the amount of tax payable by him during any year, under this Act, by way of composition, an amount at the following rates, namely,-

**TABLE**

| Sl.No. | Type of Draw | Rate per Draw |
|---|---|---|
| 1 | Weekly Draw | Twenty thousand rupees |
| 2 | Fortnightly Draw including any draw the period which is more than a week but less than a fortnight | Sixty thousand rupees |
| 3 | Monthly Draw including monthly Bumper Draw and every draw the period of which is more than a fortnight but less than a month | One lakh rupees |
| 4 | Special Bumper Draw or Festival Bumper Draw including any other draw not covered by any other category and any draw the period of which is more than a month | Four lakh rupees |

(11) Notwithstanding anything contained in any other provisions of this Act, the tax payable under sub-section (10) shall be paid ten days prior to the draw."

(12) in Section 18, in sub-section (1), in clause (b), after the words "any goods", the words "or any transaction" shall be and shall be deemed always to have been *inserted*.

(13) in Section 20,-

(i) for sub-section (1), the following shall be *substituted*, namely.-

"(1) Any person objecting to an order affecting him passed under the provisions of this Act by,-

(i) a Commercial Tax Officer, may appeal to the Deputy Commissioner; and

(ii) an Assistant Commissioner of Commercial Taxes or a Deputy Commissioner, may appeal to the Joint Commissioner."

Provided that any appeal preferred against the orders of the Commercial Tax Officer and pending before the date of commencement of this Act shall stand transferred to the Deputy Commissioner."

(ii) in sub-section (3), after the proviso, the following provisos shall be *inserted*, namely.-

"Provided further that where an order staying proceedings of recovery any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the appellate authority

shall dispose of the appeal within a period of one hundred twenty days from the date of such order.

Provided also that if such appeal is not so disposed of within the period specified in the second proviso, the order of stay shall stand vacated after the expiry of the said period."

(iii) in sub-section (5), in clause (a), sub-clause (ii) shall be *omitted*.

(14) in Section 21, after sub-section (2), the following proviso shall be *inserted*, namely.-

"Provided that such power shall not include the power to set aside any assessment and directing the assessing authority to make a fresh assessment."

(15) in Section 22-A, for the words "any proceeding", the words "any order passed or proceeding recorded" shall be and shall be deemed to always to have been *substituted.*

(16) in Section 22-B, in sub-section (1), after the proviso, the following proviso shall be *inserted*, namely. -

"Provided further that no such time limit shall be applicable in respect of proceedings initiated by the Commissioner under Section 22-A."

(17) in Section 28-A,-

i) sub-section (3-A) shall be renumbered as clause (i) thereof and after clause (i) as so renumbered, the following clause shall be inserted, namely.-

"(ii) The power conferred by clause (i) shall also include,-

a) the power to seal any box or receptacle, godown or building or any part of the godown or building in which accounts or taxable goods are suspected to be kept or stored, where the carrier or bailee or person-in-charge of the place of business either leaves the premises or is not available or fails or refuses to open any box or receptacle, godown or building or any part of the godown or building when called upon to do so.

b) the power to break open the receptacle, godown or building or part of the godown or building where the carrier or bailee or the person-in-charge of the place of business leaves the premises or, after an opportunity having been given to him to do so, fails to open the receptacle, godown or building or part of the godown or building and the officer acting under this sub-clause shall prepare a list of the goods and documents found therein."

ii) after sub-section (3-AA), the following shall be inserted, namely. -

"(3-AB) No person shall tamper with any seal put under clause (ii) of sub-section (3-A)."

iii) in sub-section (4),

a) for, the words and punctuation mark "levy a penalty, which,-" and including clause (a) and clause (b), but excluding the proviso, the words "levy a penalty which shall not be less than double the amount

of tax leviable and not exceeding three times the amount of tax leviable in respect of the goods under transport." shall be *substituted*.

b) in the proviso, clause (ii) shall be *omitted.*

(18) for Section 28-B, the following shall be *substituted*, namely.-

"**28-B. Registration of transporter, etc.-**

(1) Every person or a clearing or forwarding house or agency, transporting agency, shipping agency, shipping-out agency or steamer agency or air-cargo agency or courier agency engaged in the business of transporting taxable goods in the State shall,

(a) get itself or himself registered in such manner as may be prescribed; and

(b) submit to the authority prescribed in this behalf, return as may be prescribed of all taxable goods cleared, forwarded, transported or shipped by it or him.

(2) The authority prescribed in this behalf, shall have the power to call for and examine the books of account or other documents in the possession of such person or agency with a view to verify the correctness of the return submitted.

(3) Nothing contained in this section shall apply to any State Government or the Central Government."

(19) Section 28-C shall be omitted.

(20) in Section 29,

(i) in sub-section (1), after the words “to one year”, the words “where the amount of tax assessed or penalty levied is not less than ten lakh rupees and where the amount of tax assessed or penalty levied is less than ten lakh rupees, to a simple imprisonment for a period of not less than six months but which may extend to one year” shall be *inserted*.

(ii) in sub-section (2), after clause (a), the following shall be *inserted*, namely. -

“(aa) being a transporter obliged to be registered himself or itself under Section 28-B does not get himself or itself registered; or”.

(ii) in clause (k), after the word and figures “Section 28”, the words, figures, brackets and letters “clause (ii) of sub-section (3-A) of Section 28-A” shall be *inserted.*

(21) in the Second Schedule. -

(i) in the entries relating to Serial Number 3-A of Part ‘A’, in column (1), after the words “Rotary Ditcher”, the punctuation mark and words “, Threshers, Chaff cutters” shall be *inserted*.

(ii) in the entries relating to Serial Number 5-A of Part ‘A’, in column (3) for the words “Four per cent”, the words “Two per cent” shall be *substituted*.

(iii) in the entries relating to Serial Number 7 of Part ‘A’, in column (3) for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(iv) after the entries relating to Serial Number 7 of Part ‘B’, the following shall be inserted, namely.-

"**7-A**. Books other than those mentioned in the Fifth Schedule. Four percent"

(v) in the entries relating to Serial Number 8-A of Part 'B', in column (2), for the words "sold under brand name", the words "and bun" shall be *substituted*.

(vi) in the entries relating to Serial Number 1 of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(vii) in the entries relating to Serial Number 2 of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(viii) in the entries relating to Serial Number 4 of Part 'C', in column (3), for the words "Eight percent", wherever they occur, the words "Four per cent" shall be *substituted*.

(ix) in the entries relating to items (ii) and (iii) of Serial Number 5 of Part 'C', in column (3), for the words "Ten percent", wherever they occur the words "Twelve per cent" shall be *substituted*.

(x) in the entries relating to item (ii) of Serial Number 7 of Part 'C', in column (3), for the words "Fifteen per cent", the words "Ten per cent" shall be *substituted*.

(xi) in the entries relating to item (v) of Serial Number 8 of Part 'C', in column (3), for the words "Eight per cent", the words "Two per cent" shall be *substituted*.

(xii) after the entries relating to Serial Number 17 of Part 'C', the following shall be *inserted*, namely. -

"**17-A**. Coconut oil sold under brand name Fifteen percent"

(xiii) in the entries relating to item (iii) of Serial Number 18 of Part 'C', in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(xiv) in the entries relating to item (i) of Serial Number 19 of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xv) in the entries relating to Serial Number 20 of Part 'C',-

(a) in item (i) in column (2), the words "consisting of monitor, key board, mouse, floppy drives, cartridge tape drives, CD ROM drives, DAT drives, hard disks" shall be deemed always to have been *omitted.*

(b) in item (i) in column (3) for the words "Eight Percent" wherever they occur, the words "Four percent'' shall be *substituted*.

(c) after the entries relating to item (iv) the following shall be *inserted*, namely.-

"(v) Computer Software Four per cent"

(xvi) in the entries relating to item (ii) of Serial Number 21 of Part 'C', in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(xvii) in the entries relating to Serial Number 25 of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xviii) in the entries relating to Serial Number 25-A of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xix) in the entries relating to Serial Number 25-B of Part 'C', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xx) in the entries relating to Serial Number 1 of Part 'E', in column (2), after the words "other than", the words "coconut oil sold under brand name and" shall be *inserted.*

(xxi) in Serial Number 2 of Part 'E',

(a) in item (ii), in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(b) in item (iii), in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(xxii) in the entries relating to sub-item (b) of item (v) of Serial Number 8 of Part 'F', in column (2), after the word "in", the words "or by" shall be *inserted*.

(xxiii) in the entries relating to Serial Number 4 of Part 'G', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xxiv) in the entries relating to Serial Number 4-A of Part 'G', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xxv) in the entries relating to Serial Number 7 of Part 'G', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xxvi) in the entries relating to Serial Number 2 of Part 'H', in column (3) for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xxvii) in the entries relating to Serial Number 1 of Part 'I', in column (3) for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(xxviii) in the entries relating to Serial Number 2 of Part 'J', in column (2), for the words "and silver", the punctuation mark and words ", silver and other noble metals," shall be *substituted*.

(xxix) in the entries relating to item (iii) of Serial Number 1A of Part 'K', in column (3), for the words "Four per cent", the words "Eight per cent" shall be *substituted*.

(xxx) in the entries relating to Serial Number 7 of Part 'L', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xxxi) in the entries relating to item (i) of Serial Number 14 of Part 'M', in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(xxxii) for the entries relating to Serial Number 15 of Part 'M', the following shall be *substituted*, namely.-

"**15.** (i) Indian Musical Instruments and parts and accessories thereof. Four percent

(ii) Musical Instruments and parts and accessories thereof not covered by item (i) above. Twelve per cent"

(xxxiii) in the entries relating to Serial Number 1 of Part 'N', in column (3), for the words "Eight per cent", the words "Four per cent" shall be *substituted*.

(xxxiv) in the entries relating to Serial Number 3 of Part 'O',-

(a) for item (ii) the following shall be *substituted*, namely.-

"(ii) Spectacles, lenses and frames including attachments, parts and accessories thereof. Ten per cent"

(b) after the entries relating to item (ii) as so substituted the following shall be *inserted*, namely. -

"(iii) sun glasses, goggles, lenses and frames including attachments, parts and accessories thereof. Twelve per cent"

(xxxv) in the entries relating to Serial Number 1 of Part 'P', in column (3), for the words "Ten per cent", in the two places where they occur the words "Twelve per cent" shall be *substituted*.

(xxxvi) after the entries relating to Serial Number 1 of Part 'P', the following entries shall be *inserted*, namely.-

"**1-A.** Pan masala Twenty per cent"

(xxxvii) in the entries relating to Serial Number 7 of Part 'P',-

(a) in item (i), in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(b) in the entries relating to item (ii), in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(xxxviii) in the entries relating to Serial Number 3 of Part ‘S’, in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(xxxix) for the entries relating to Serial Number 13 of Part ‘S’, the following shall be *substituted*, namely.-

| | | |
|---|---|---|
| “**13.** | Sports goods (indoor and outdoor) including body building equipments, trophies, medals, shields but excluding wearing apparels. | Four per cent” |

(xl) after the entries relating to Serial Number 18-A of Part ‘S’, the following shall be *inserted*, namely. -

| | | |
|---|---|---|
| “**18-B**. | Sugar imported from outside the country | Twelve per cent” |

(xli) in the entries relating to Serial Number 19 of Part ‘S’, in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(xlii) in the entries relating to Serial Number 2 of Part ‘T’, in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted*.

(xliii) in the entries relating to Serial Number 5 of Part ‘T’,-

(a) in item (i), in column (3) for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(b) in item (ii) in column (3) for the words “Ten percent” the words “Eight percent” shall be substituted.

(xliv) for the entries relating to Serial Number 6 of Part ‘T’, the following shall be *substituted*, namely.-

| | |
|---|---|
| “**6.** Telephones of every description including cellular phones and their parts. | Four per cent” |

(xlv) in the entries relating to Serial Number 7-A of Part ‘T’, in column (3), for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

*(xlvi)* after the entries relating to Serial Number 7-A of Part ‘T ‘ as so substituted the following shall be inserted, namely:-

| | |
|---|---|
| “ **7-B.** Textiles and fabric imported from outside the country. | Twelve percent’’ |

(xlvii) in the entries relating to Serial Number 8 of Part ‘ T ‘,

(a) in item (i), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(b) in item (ii), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(c) in item (iii), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(d) in item (iv), in column (3), for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*.

(e) in item (v), in column (3), for the words "Ten per cent", the words "Twelve per cent" shall be *substituted*.

(xlviii) after the entries relating to Serial Number 9-A of Part 'T', the following shall be *inserted*, namely.-

" **9-B.** Tobacco products imported from outside the country Twelve per cent"

(xlix) in the entries relating to Serial Number 10 of Part 'T', in column (3), for the words "Twelve per cent", in the two places where they occur the words "Fifteen per cent" shall be *substituted*.

(22) in the Fifth Schedule. -

(i) after the entries relating to Serial Number 2, the following shall be and shall be deemed to have been *inserted* from the First day of January 2000 and shall be deemed to have been *omitted* from the Seventh day of October 2000, namely.-

"2-A. All steel radial tyres for heavy vehicles (trucks and buses)"

(ii) in the entries relating to Serial Number 8-A as it existed prior to the First day of April, 1998, after the words "cloth in lengths", the words and brackets "(produced or manufactured in India)" shall be and shall be deemed always to have been *inserted;*

(iii) in the entries relating to Serial Number 3, as it exists with effect from the First day of April 1998, after the words "cloth in lengths", the words and brackets "(produced or manufactured in India)" shall be and shall be deemed always to have been *inserted;*

(iv) for the entries relating to Serial Number 13, the following shall be *substituted*, namely.-

"**13.** Books printed or supplied or prescribed or written as per the Study syllabus specified by the Universities, Academies, Government recognized education boards and Councils and also including Books printed or supplied by the Government Departments."

(v) in the entries relating to Serial Number 31-A as it existed prior to the First day April, 1998, after the words "its products", the words and brackets "(produced or manufactured in India)" shall be and shall be deemed always to have been *inserted;*

(vi) in the entries relating to Serial Number 31-B as it existed prior to the First day of April, 1998, after the words "Sugar", the words and brackets "(produced or manufactured in India)" shall be and shall be deemed always to have been *inserted;*

(vii) in the entries relating to Serial Number 51, as it exists from the First day of April 1998, after the word "Sugar", the words and brackets "(produced or manufactured in India)" shall be and shall be deemed always to have been *inserted;*

(viii) in the entries relating to Serial Number 53, as it exists from the First day of April 1998, after the words "its products", the words and brackets "(produced or manufactured in India)" shall be and shall be deemed always to have been *inserted;*

(ix) after the entries relating to Serial Number 53, the following entries shall be and shall be deemed to have *inserted* with effect from the First day of April, 2000 and shall be and shall be deemed to have

been *omitted* with effect from the First day of April, 2001, namely.-

"53-A. Transfer of the right to use computer software."

(x) after the entries relating to Serial Number 58, the following entries shall be deemed to have been *inserted* with effect from the First day of April, 1986 and shall be and shall be deemed to have been *omitted* with effect from the First day of April, 1994, namely. -

"59. Ragi flour."

**(**23**)** After the Eighth Schedule, the following shall be *inserted*, namely. -

"**NINTH SCHEDULE**

[See Section 5(3-CC)]

| Sl.No. | Description of Goods | Rate of tax |
|---|---|---|
| **(**1) | (2) | (3) |
| 1. | Aerated water including soft drinks whether or not flavoured or sweetened and whether or not containing vegetable or fruit juice or fruit pulp when sold under brand name in bottles, tins, cans or in any kind of sealed containers but excluding soft drink concentrates." | Four per cent. |

**4. Amendment of Karnataka Act 30 of 1958. -** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958). **-**

(1) in Section 2, in clause (i), after sub-clause (iv), the following shall be *inserted*, namely.-

"(iv-a) any payment for any purpose whatsoever connected with an entertainment including sponsorship fee and advertisement charges, which is paid to the proprietor or any person connected with conducting or organizing such entertainment, by a person attending the entertainment which enables entry of any other person into the entertainment.''

(2) in Section 3, in sub-section (2),

i) after the words, figure and brackets "contained in sub-section (1)", the words, figure, letter and brackets "and sub-section (1-A)" shall be *inserted*.

ii) after the words, figure and brackets "specified in sub-section (1)", the words, figure, letter and brackets "and sub-section (1-A)" shall be *inserted*.

iii) after sub-section (2), the following shall be *inserted*, namely. -

" (3) Notwithstanding anything contained in sub-section (1-A) there shall be levied and paid to the State Government on every admission made by the proprietor of an entertainment on payment as defined in sub-clause (iv-a) of clause (i) of Section 2, the entertainment tax at the rate specified in sub-section (1-A) in respect of such entertainment as if full payment had been made for admission to the entertainment according to the class of seat or accommodation which the person admitted occupies or uses; and for the purpose of this Act, the person admitted shall be deemed to have been admitted on payment.

Provided that where the admission made to an entertainment whether or not having different classes of seat or accommodation inside the place

of entertainment is wholly on payment as defined in sub-clause (iv-a) of clause (i) of Section 2, the payment made to such entertainment shall be deemed to have been made by the person or persons admitted."

(3) in Section 4-A, in sub-section (1), after the words "local authority", the words and brackets "(but excluding a cantonment board)" shall be *inserted*.

(4) in Section 4-B, in sub-section (1), for the words "two thousand five hundred rupees", the words "five thousand rupees" shall be *substituted*.

(5) in Section 4-D, in the Table, in column (3),

i) for the words "Rupees one thousand five hundred per month", the words "Rupees three thousand rupees per month" shall be *substituted*.

ii) for the words "Rupees one thousand per month", the words "Rupees two thousand per month" shall be *substituted*.

iii) for the words "Rupees seven hundred per month", the words "Rupees one thousand five hundred per month", shall be *substituted*.

iv) for the words "Rupees three hundred per month", the words "Rupees six hundred per month" shall be *substituted*.

(6) in Section 6,

i) in sub-section (1), including the explanation after the words "complimentary ticket", the words "or pass or invitation" shall be *inserted*.

ii) for sub-section (3), the following shall be *substituted*, namely.-

"(3) Where the payment for admission to an entertainment is made wholly or partly by means of a lumpsum paid as a subscription or contribution or sponsorship fee or advertisement charges or by whatever name called to any institution or any other person, for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, the entertainments tax shall be paid on the amount of the lumpsum, but where the Commissioner is of opinion that the payment of a lumpsum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period during which tax has not been in operation, the tax shall be levied on such an amount as appears to the Commissioner to represent the right of admission to entertainments in respect of which the entertainments tax is payable."

(7) in Section 7, after sub-section (1), the following proviso shall be and shall be deemed to have been *inserted* from the First day of April, 2000, namely.-

"Provided that for development of any recognized sport the State Government may grant exemption to a specified event of such sport."

(8) in Section 9,

i) in sub-section (2),

a) in clause (ii), for the word "penalty", the word "interest" shall be *substituted*.

b) in the explanation, for the word “penalty”, the word “interest” shall be *substituted*.

ii) in sub-section (3), for the word “penalty”, the word “interest” shall be *substituted*.

(9) after Section 9-AA, the following shall be *inserted*, namely.-

“**9-AAA. Furnishing of return, etc..-**

(1) Every owner or other person in charge of any place of entertainment who is not the proprietor of any entertainment conducted or organized in such place shall submit to the Entertainment Tax Officer having jurisdiction over the area in which the entertainment is conducted a return containing such particulars within such period as may be prescribed.

(2) If any owner or other person in charge of any place of entertainment fails to submit the return in accordance with sub-section (1), such person and the proprietor of the entertainment shall jointly and severally be liable to pay any tax or penalty or any other amount due by the proprietor of the entertainment.”

(10) for Section 10-A, the following shall be *substituted*, namely. -

“**10-A. Registration of distributors, etc.-**

(1) Every distributor in the State shall,

(a) get himself registered in such manner as may be prescribed;

(b) submit to the authority prescribed in this behalf,

return as may be prescribed of all feature films sold, supplied, distributed, rented or hired for exhibition.

(2) The authority prescribed in this behalf, shall have the power to call for and examine the books of account or other documents in the possession of such distributors with a view to verify the correctness of the return submitted.

(3) Nothing contained in this section shall apply to any State Government or the Central Government."

(11) in Section 12,

i) for the words "two thousand rupees" wherever they occur, the words "five thousand rupees" shall be *substituted*.

ii) in sub-section (1), for the words "five thousand rupees", the words "ten thousand rupees" shall be *substituted*.

(12) in Section 13, for the words "two thousand rupees" in the two places where they occur, the words "five thousand rupees" shall be *substituted*.

**5. Amendment of Karnataka Act 35 of 1976. -** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in the Schedule.-

i) in Serial Number 1, for item (e), the following shall be *substituted*, namely.-

"(e) Rs.15,000 and above Rs.200 per month."

ii) the entries relating to item (f) shall be *omitted*.

iii) after Serial Number 20-T, the following shall be *inserted*, namely.-

| | |
|---|---|
| "20-U.(a) Persons operating mobile telephone service | Rs.2,500 per annum |
| (b) Persons providing internet service running internet cafes, information kiosks | Rs.2,500 perannum |
| (c) Persons operating e-commerce business | Rs.2,500 per annum |
| (d) Persons operating Air taxi and helicopter services | Rs.2,500 per annum |
| (e) Persons running clubs including recreation clubs | Rs.2,500 per annum |
| (f) Persons operating Gymnasium | Rs.2,500 per annum |
| (g) Persons organizing events, pageants, fashion shows and the like." | Rs.2,500 per annum |

iv) in explanation 4, after the figures, hyphen and alphabet "20-T", the figures, hyphen and alphabet "20-U" shall be *inserted*.

**6. Amendment of Karnataka Act 22 of 1979. -** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979).-

(1) in Section 2,

(i) in clause (2)

(a) for the words "in a hotel" the words "in a hotel or a marriage hall" shall be *substituted*.

(b) for the words "by a hotel", the words "by the proprietor of a hotel or a marriage hall" shall be *substituted*.

(ii) for clause (5-A), the following shall be *substituted*, namely.-

"(5-A) "**Luxury Tax Officer**" means an Assistant Commissioner of Commercial Taxes or Deputy Commissioner of Commercial Taxes appointed under Section 3 of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957)"

(iii) after clause (6-B), the following exception shall be *inserted*, namely.-

"**Exception. -** A handloom or power loom weaver (other than one whose establishment falls within the definition of a "Factory" under the Factories Act, 1948 (Central Act 63 of 1948)) who is in possession of stock of silk fabrics manufactured by him in Karnataka shall not be deemed to be a stockist for the purpose of this Act."

(2) after Section 2-A, the following shall be *inserted*, namely.-

"**2-B. Jurisdiction of officers.-**

(1) The Joint Commissioners shall perform their functions in respect of such areas or of such proprietors or stockists or classes of proprietors or stockists or of such cases or classes of cases as the Commissioner may direct.

(2) The Luxury Tax Officers shall perform their functions in respect of such areas or of such proprietors or stockists or classes of proprietors

or stockists or such cases or classes of cases as the Commissioner may direct.

**2-C. Change of incumbent of an office. -** Whenever in respect of any proceeding under this Act, a Luxury Tax Officer or any other officer ceases to exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the authority or officer so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor:

Provided that the proprietor or stockist may demand that before the proceeding is so continued the previous proceedings or any part thereof be re-opened or that before any order of assessment is passed against him, he be re-heard."

(3) after Section 4-A, the following shall be inserted, namely.-

"**4-AA. Declaration of charges for marriage hall.-**

(1) Every proprietor of a marriage hall liable to pay tax under this Act, shall declare the normal rate fixed for luxury provided by him in such manner and within such period as may be prescribed.

(2) Where luxury provided in a marriage hall to any person is not charged at all, or is charged at a concessional rate, then the tax on such luxury, shall be levied and collected as if full charges for such luxury were paid to the proprietor of the marriage hall."

(4) after Section 4-B, the following shall be *inserted*, namely.-

> **"4-C. Reduction in tax liability. -**Where a stockist liable to pay tax under this Act, being a dealer in such goods excluding gutkha becomes liable to pay tax under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) as a result of the sale of such goods, then the amount of tax payable under the said Act shall be reduced by the amount of tax paid under this Act."

(5) in Section 5-A, after sub-section (2), the following shall be *inserted*, namely. -

> "(2-A) If default is committed in the payment of tax for any month beyond ten days whether or not a statement as required under sub-section (1) is filed; or if the amount of tax paid is less than the amount of tax payable for any month, the dealer defaulting payment of tax or making short-payment of tax shall, in addition to the tax, pay interest calculated at the rate of two per cent per month from the date of such default or short-payment to the date of payment of such tax or upto the date specified for payment of tax assessed under section 6, as the case may be."

(6) in Section 7, the following proviso shall be *inserted*, namely. -

> "Provided that no penalty shall be imposed for failure to furnish a return or pay tax on turnover of stock of luxury as required relating to Gutkha if such return is furnished or tax is paid within thirty days from the date of commencement of the Karnataka Tax on Luxuries (Amendment) Act, 2001."

(7) in Section 8, in sub-section (1-A), in clause (ii), for the word "proprietor", the words "proprietor or stockist" shall be

and shall be deemed to have been *inserted* with effect from the First day April 1997.

(8) for Section 13, the following shall be *substituted*, namely.-

"**13. Offences and Penalties.-** (1) Any proprietor or stockist who.-

(a) is obliged to get himself registered under this Act does not get so registered; or

(b) fails to submit a return as required by the provisions of this Act, or the Rules made thereunder; or

(c) fails to submit a statement as required under Section 5-A; or

(d) fails to pay within the time allowed any tax assessed on him or any penalty levied on him under this Act; or

(e) fails to keep true and complete accounts; or

(f) fails to issue a bill or cash memorandum in accordance with the provisions of sub-sections (2) and (3) of Section 12-B; or

(g) fails to comply with a notice issued under sub-section (1) of Section 17,

shall on conviction be punished with a simple imprisonment for a term which may extend to six months or with fine which shall not be less then one thousand rupees which may extend to five thousand rupees or with both.

(2) Any person who.-

(a) carries on business as a proprietor or stockist without furnishing the security demanded under sub-section (4) of Section 4-A; or

(b) willfully submits an untrue return, or not being already an assessee under this Act, fails to submit a return as required by the provisions of this Act or the rules made thereunder; or

(c) willfully submits an untrue statement under sub-section (1) of Section 5-A; or

(d) fraudulently evades the payment of any tax or other amount payable by him under this Act; or

(e) collects any amount by way of tax or purporting to be by way of tax in contravention of sub-section (1) of Section 6-A; or

(f) prevents or obstructs inspection, entry, search or seizure by an Officer empowered under this Act; or

(g) prevents or obstructs inspection of any vehicle or boat or goods transported otherwise or seizure of goods by an Officer-in-charge of a check post or barrier or any Officer empowered under this Act; or

(h) dishonestly objects to or fails to comply with the terms of a notice issued to him under Section 8-A; or

(i) willfully acts in contravention of any of the provisions of this Act or the rules made thereunder,

shall, on conviction in addition to the recovery of any tax or other amount that may be due from him, be punishable with simple imprisonment which may extend to twelve months or with a fine which shall not be less than five thousand rupees but which may extend to twenty-five thousand rupees or with both and when the offence is a continuing one, with a daily fine not exceeding two hundred rupees during the period of continuance of the offence."

(9) in Section 17,

ii) in the heading, for the words "search of hotels", the words "search of hotel, etc." shall be *inserted*.

iii) in sub-section (1), for the words "the business of the hotel or business of the stockist", the words "his business " shall be *substituted*.

(10) in the Schedule,

i) in the entries relating to Serial Number 2 as it existed prior to the Twenty third day of January 2001, in column (2), the word and punctuation mark "gutkha," shall be and shall be deemed to have been omitted from the First day of April, 2000.

ii) after the entries relating to Serial Number 2 as it existed prior to the Twenty third day of January 2001, the following entries shall be and shall be deemed to have been inserted from the First day of April 2000 and shall be deemed to have been

in force upto the Twenty second day of January, 2001, namely.-

| | |
|---|---|
| " 3. Gutkha | 20 per cent." |

iii) after the entries relating to Serial Number 3, the following entries shall be *inserted*, namely. -

| | |
|---|---|
| "4. Silk fabrics | Two per cent. |
| 5. All kinds of electronic goods imported from outside the country. | Twelve per cent.'' |

**7. Amendment of Karnataka Act 27 of 1979. -** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979). -

(1) in Section 3, in sub-section (3), in clause (ii), before the words "in respect", the words "other than Gutkha" shall be and shall be deemed to have been *inserted* with effect from the First day of April, 2000.

(2) for Section 5-B, the following shall be *substituted*, namely.-

"**5-B. Self-assessment in the case of certain dealers**.-

(1) Notwithstanding anything contained in sub-sections (3) and (4) of Section 5, in the case of a dealer who is eligible for self-assessment under Section 12-C of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the assessing authority shall subject to the same conditions and exceptions specified therein, assess such dealer on the basis of return filed without requiring the presence of the dealer or the production of books of account.

(2) Notwithstanding anything contained in sub-section (1), the assessing authority shall assess under sub-section (4) of Section 5 in such cases as notified by the Commissioner under Section 12-C of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957).

(3) If on scrutiny assessment in cases falling under sub-section (2), it is found that the amount of tax paid by any dealer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.

(4) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 6, 15 and 17."

(3) in Section 8,

i) in sub-section (2),

a) in clause (ii), for the words ''a penalty", the word "interest" shall be *substituted*.

b) in the explanation, for the word "penalty", the word "interest" shall be *substituted*.

ii) in sub-section (3), for the word "penalty", wherever it occurs, the word "interest" shall be *substituted*.

(4) in Section 13, for sub-section (1), the following shall be *substituted*, namely.-

"(1) Any person objecting to an order affecting him passed under the provisions of this Act by,-

(i) a Commercial Tax Officer, may appeal to the Deputy Commissioner; and

(ii) an Assistant Commissioner of Commercial Taxes or a Deputy Commissioner, may appeal to the Joint Commissioner.

Provided that any appeal preferred against the orders of the Commercial Tax Officer and pending before the date of commencement of this Act shall stand transferred to the Deputy Commissioner.''

(5) in the First Schedule, for the entries relating to Serial Number 80, the following entries shall be *substituted*, namely.-

"80. Raw materials, component parts and inputs which are used in the manufacture of an inter-mediate or a finished product."

**8. Validation of assessments, etc.-** Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979), (in short the said Act) before the commencement of this Act shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clauses (i) and (ii) of sub-section (10) of Section 6 of this Act and accordingly.-

(a) all acts proceedings or things taken or done by any authority in connection with the assessment, levy or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

**9. Validation of certain notifications.-** No notification issued or purporting to have been issued under sub-section (1) or sub-section (3) of section 8A of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (in short the said Act) with retrospective effect during the period from the First day of April 2000 and till the First day of April 2001 shall be deemed to be invalid or ever to have been invalid merely on the ground that such notification was issued with retrospective effect and accordingly every such notification and any action or thing taken or done (including collection of tax or other amount) thereunder shall be as valid and effective as if the provisions of sub-sections (1) and (3) of section 8A of the said Act as amended by sub-section (5) of section 3 of this Act were in force at all relevant times when such notification was issued or action or thing was taken or done; and

(a) no suit or proceedings shall be maintained or continued in any court, tribunal or before any authority for refund of any such tax or other amount, or

(b) no court shall enforce any decree or order directing refund of any such tax or amount.

**10. Declaration.-** For the removal of doubts it is hereby declared that the amendments made by the Karnataka Taxation Laws (Amendment) Act, 2000 (Karnataka Act 5 of 2000) to the Karnataka Sales Tax Act 1957 (Karnataka Act 25 of 1957) (in short 1957 Act) shall, notwithstanding anything contained in any law for the time being in force, for all purposes, be deemed to have been made after the amendments made to the 1957 Act by the Karnataka Sales Tax (Amendment) Ordinance 1999 (Karnataka Ordinance 8 of 1999) replaced by the Karnataka Sales Tax (Amendment) Act 2000 (Karnataka Act 9 of 2000) and be deemed have been incorporated in the 1957 Act.

## KARNATAKA ACT NO. 5 OF 2002

## THE KARNATAKA TAXATION LAWS (AMENDMENT) Act, 2002

### Arrangement of Sections

***Sections:***

1. Short title and commencement
2. Amendment of Karnataka Act 22 of 1957
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act 22 of 1979
5. Amendment of Karnataka Act 27 of 1979
6. Amendment of Act 30 of 1958
7. Validation of assessments, etc.

### STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Agriculture Income Tax, 1957, the Karnataka Sales Tax Act, 1957, the Karnataka Taxes on Luxuries Act, 1979, the Karnataka Taxes on Entry of Goods Act, 1979 and the Karnataka Entertainment Tax Act, 1958 to give effect to the proposal made in the Budget speech and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

(L.A. Bill No. 12 of 2002)

## KARNTAKA ACT NO. 5 OF 2002

*(First published in the Karnataka Gazette Extra-ordinary on the thirtieth day of March, 2002)*

## THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2002

*(Recived the assent of Governor on the thirtieth day of March, 2002)*

An Act further to amend certain taxation laws as in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purpose hereinafter appearing:

Be it enacted by the Karnataka State Legislature in Fifty-third year of the Republic of India, as follows:-

**1. Short title and commencement. -** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2002.

(2) It shall come into force with effect from the first day of April, 2002.

**2. Amendment of Karnataka Act 22 of 1957. -** In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957),

(1) in Section 18, in sub-section (1), after the proviso, the following proviso shall be inserted, namely -

"Provided further that the return of agricultural income for the previous year ending on the 31st day of March, 2001, shall be filed before the expiry of Sixteen months from the end of such previous year ".

(2) in Section 66,

(Published in the Karnataka Gazette Part IV-A Extra Ordinary No. 475 dated 30-3-2002 in Notification No. ÉâªÀâXµÖE 18 µÖÉâ}â 2002)

(a) in sub-section (5), the words, figure and brackets "and shall continue to be in force for the next two years immediately following or until such time the extent of land holding exceeds the maximum specified in sub-section (1), whichever is earlier" shall be *omitted.*

(b) in sub-section (6), the words "of three years" shall be *omitted*.

**3. Amendment of Karnataka Act 25 of 1957. -** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957). -

(1) in Section 2, in sub-section (1), for clause (f-1b), the following shall be *substituted,* namely.-

**"** (f-1b) **Brand name** means a name or trade mark registered or pending registration or pending registration of transfer under the Trade and Merchandise Marks Act, 1958 (Central Act 43 of 1958) and includes a name or a mark such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to a product, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and a dealer whose total turnover during any year exceeds one hundred lakh rupees, using such name or mark with or without any indication of the identity of the said dealer; **"**

(2) in Section 3-A, in sub-Section (3), before the words "Joint Commissioner", the words "Additional Commissioner or" shall be inserted;

(3) after Section 3-C, the following section shall be *inserted,* namely.-

**" 4. Provision for clarification and advance rulings** .- (1) The Commissioner may constitute a State level 'Authority for Clarification and Advance Rulings', (here in after referred to in this section as Authority) consisting of three Additional Commissioners, to clarify the rate of tax applicable under this Act in respect of any goods liable to tax under the Act or the exigibility of any transaction to tax

under the Act on an application by a dealer registered under the Act.

(2) The application shall be in such form and shall be accompanied by proof of payment of such fee, paid in such manner, as may be prescribed.

(3) An applicant may withdraw an application within thirty days from the date of application.

(4) On receipt of an application, the Authority shall cause a copy thereof to be forwarded to the assessing or registering authority concerned and call for any information or records.

(5) The Authority may, after examining the application and any records called for, by order, either, allow or reject the application.

Provided that the Authority shall not allow the application where the question raised in the application,-

(i) is already pending before any officer or authority of the Department or Appellate Tribunal or any Court;

(ii) relates to a transaction or issue which is designed apparently for the avoidance of tax.

Provided further that no application shall be rejected under this sub-Section unless an opportunity has been given to the applicant of being heard and where the application is rejected, reasons for such rejections shall be recorded in the order.

(6) A copy of every order made under sub-Section (5) shall be sent to the applicant and the officer concerned.

(7) Where an application is allowed under sub-Section (5), the Authority shall after examining such further material as may be placed before it by the applicant or obtained by the Authority, pass such order as deemed fit on the questions specified in the application, after giving an opportunity to the applicant of being heard, if he so

desires. The authority shall pass an order within four weeks of the receipt of any application and a copy of such order shall be sent to the applicant and to the officer concerned.

(8) No officer or any other authority of the Department or the Appellate Tribunal shall proceed to decide any issue in respect of which an application has been made by an applicant under this Section and is pending.

(9) The order of the Authority shall be binding only,-

(i) on the applicant who had sought clarification;

(ii) in respect of the goods or transaction in relation to which a clarification was sought; and

(iii) on all the officers other than the Commissioner.

(10) The order of the Authority under sub-section (7) shall be binding as aforesaid unless there is a change in law or facts on the basis of which the order was passed.

(11) Where the Authority on a representation made to it by any officer or otherwise finds that an order passed by it was obtained by the applicant by fraud or mis-representation of facts, it may, by order, declare such order to be void *ab initio* and thereupon all the provisions of this Act shall apply to the applicant as if such order had never been made.

(12) A copy of the order made under sub-Section (11) shall be sent to the applicant and the Commissioner or the officer concerned."

(4) in Section 5,

(i) in sub-Section (1), for the words, “ten per cent”, the words “twelve per cent” shall be *substituted*.

(ii) in sub-Section (1-B), for the words, “ten per cent”, the words “twelve per cent” shall be *substituted*

(iii) in sub-section (3), in clause (a), after the fifth proviso, the following shall be *inserted*, namely.-

“ Provided also that where goods are sold, under a brand name by the trade mark holder or the brand name holder or any other dealer having the right as proprietor or otherwise to use the said name or trade mark either directly or through another on his own account or on account of others, exclusively to a marketing agent or distributor or wholesaler or any other dealer, subsequent sale of such goods by the latter shall also be liable to tax under this Section and the tax so payable shall be reduced by the amount of tax already paid on the sale of such goods by the former.

(iv) sub-section (3-CC) shall be *omitted.*

(v) in sub-Section (4) the words “and only at the point”, shall be *omitted*.

(5) in Section 5-A, Explanation II shall be and shall be deemed always to have been *omitted*;

(6) for Section 5-A , the following shall be *substituted,* namely,-

“**5-A.Taxation of Industrial Inputs**.-(1) Notwithstanding anything contained in Section 5, the tax payable by a registered dealer, in respect of the sale of any industrial input liable to tax under the Act to another registered dealer for use by the latter as a component part or raw material or packing material of any other goods which he intends to manufacture inside the State for sale or in respect of sale of consumables liable to tax under the Act to another registered dealer for use in such manufacture, shall be at

the rate of four percent or the rate specified in Section 5, whichever is lower, on the taxable turnover relating to such sale.

Provided that where the rate of tax in respect of such industrial input as specified in Section 5 is four percent and above , the provisions of this sub-Section shall not apply, unless the dealer selling the industrial inputs furnishes to his assessing authority in the prescribed manner a declaration by the buying dealer in the prescribed form obtained from the prescribed authority or where the buying dealer's total turnover for the year ending thirty first day of March 2001 as declared in the return for such period exceeds one hundred lakhs rupees, such buying dealer shall give a declaration in such form and in such manner as may be prescribed.

Provided further that if any dealer, after purchasing any inputs, in respect of which he has furnished a declaration under the first proviso to this Sub-section fails to make use of the whole or part of such inputs in the manufacture of other goods specified in the declaration before the expiry of the accounting year immediately succeeding the one in which such inputs are purchased, either due to cessation of his manufacturing activity or for any other reason, but has not sold away such inputs, he shall be liable to pay the difference between the tax payable at the rate specified under Section 5 and the tax computed at the rate of four percent on the turnover relating to the sale of such quantity of these inputs to him as have remained unutilized with him for the declared purpose at the end of the period specified above.

(2) Notwithstanding anything contained in clause (b) of sub-Section (3) of Section 5 or Section 6, the tax payable by a registered dealer in respect of the purchase of any Industrial input liable to tax under the Act for use by him as a component part or raw material or packing material of any other goods which he intends to

manufacture inside the State for sale shall be at the rate of four percent or the rate specified in Section 5, whichever is lower, on the taxable turnover relating to such purchase.

(3) If any person :

(i) not having his manufacturing unit inside the State , purchases any inputs by furnishing a declaration under the first proviso to sub-Section (1) or pays tax on purchase of inputs under sub-Section (2); or

(ii)having his manufacturing unit inside the State and having purchased any inputs by furnishing a declaration under the first proviso to Sub-section (1) or paying tax on purchase of any inputs under sub-Section (2), sells away such inputs contrary to such declaration or condition,

the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum, which shall not be less than the amount of tax leviable under Section 5 on the sale of the inputs so purchased or tax leviable under clause (b) of sub-Section (3) of Section 5 or Section 6 on the inputs so purchased, but which shall not exceed one and half times the amount of such tax;

(iii) having his manufacturing unit inside the State and having purchased any inputs by furnishing a declaration under first proviso to sub-Section (1) or having paid tax on any inputs under sub-Section (2), uses such inputs contrary to such declaration or , the assessing authority, after giving such person a reasonable opportunity of being heard, shall, by order in writing, impose upon him by way of penalty a sum which shall not be less than twice the amount of tax leviable under Section 5 or 6 but not exceeding two and half times the amount of such tax on the inputs so purchased.

(4) (a) Every dealer who, during the course of the year, purchases any inputs by furnishing a declaration under the first proviso to sub-Section (1), shall maintain in the prescribed manner a regular account of the receipt and issue of such declaration forms as are received or issued by him.

(b) Every such dealer shall also submit a statement as prescribed containing particulars of such purchases in any month to the assessing authority along with the statement to be submitted under section 12-B.

(c) Every such dealer shall also maintain in the prescribed manner an account giving the opening balance, purchases, consumption and closing balance of every input, which is purchased by him by furnishing a declaration under the first proviso to sub-Section (1) or purchased by him under sub-Section (2).

(d) If any dealer fails to maintain, in the prescribed manner, true and complete accounts or submit a statement as required by clause (a) or clause (b) or clause (c) of this sub-Section, the assessing authority shall, after giving such dealer a reasonable opportunity of being heard pass an order,-

(i) disentitling such dealer from making use of any declaration forms prescribed under the first proviso to sub-Section (1) and requiring him to surrender forthwith the declaration forms already issued to him, if any or disentitling such dealer to pay tax on inputs under sub-Section (2); and

(ii) imposing upon him a penalty not below one half of the amount of tax payable but not exceeding the amount of tax leviable, under the provisions of Section 5 on the sale value of the inputs already purchased by him against prescribed declaration forms up to the date of surrender of the unused forms by him or under the provision of Section 5 or Section 6 on the purchase value of inputs already purchased by him under sub-Section (2) up to the date of disentitlement.

(e) If any dealer, in respect of whom an order has been passed under clause (d), of this sub-Section, pays the penalty and complies with other terms of such order, the assessing authority may, in his discretion, permit such dealer, to obtain the prescribed declaration forms afresh or issue the prescribed declaration forms and to make use of the same for the purchase of inputs in the State at concessional rate of tax or to pay tax under sub-Section (2) on purchase of inputs.

**Explanation** :

(1) For the purpose of this Section, the expressions `industrial inputs` or inputs, mean either a `Component part` or `raw material` or packing material, but do not include Cement, and inputs falling under Serial Number 12 of Part `S` and Serial Number 10 of Part `M` of the Second Schedule.

(2) The expression `component part` means an article which forms an identifiable constituent of the finished product and which along with others, goes to make up the finished product.

(3) The expression `raw material` means any material-

(a) from which another product can be made, through the process of manufacture, either by itself or in combination with other raw materials; or

(b) a processing or any other chemical solvent (including chemicals used for testing, analysis or research) used in the solvent extraction process or a catalyst required in the manufacturing process, but it does not include fuels, and consumable stores of similar type.

(4) The expression `Consumables` does not include petroleum products falling under Serial Number 11-A of Part 'F', Serial Number 12 of Part 'M' and Serial Number 5 of Part 'P' of Second Schedule. **"**

(7) in Section 6-A, in sub-Section (2),

(i) after the proviso, the following shall be deemed and deemed to have always been *inserted* namely,-

"Provided further that, in respect of any assessments other than an assessment already completed, for the years ending Thirty First day of March, 1996 and Thirty First day of March 1997, the buying dealer may prove, in the prescribed manner, that the goods purchased have already been subjected to tax notwithstanding his failure to furnish the declaration specified. "

(ii) the provisos shall be *omitted.*

(8) for Section 6-B, the following shall be *substituted,* namely,-

"**6-B. Levy of resale tax.-** Every registered dealer and every dealer who is liable to get himself registered under sub-Sections (1) and (2) of Section 10 whose total turnover in a year is not less than the turnovers specified in the said sub-Sections, shall be liable to pay tax at the rate of one and half per cent of such portion of the total turnover which is not liable to tax under Sections 5, 5-A, 5-B, 5-C or 6.

Provided that no tax under this sub-Section shall be payable on that part of such turnover which relates to,-

(i) sale or purchase of goods specified in the Fifth Schedule;

(ii) sale or purchase of goods in the course of interstate trade or commerce;

(iii) sale or purchase of goods in the course of export out of the territory of India or sale or purchase in the course of import into the territory of India;

(iv) all amounts collected by way of tax under the provisions of this Act or the Central Sales Tax Act, 1956 (Central Act 74 of 1956);

(v) all amounts falling under the head `Freight`, when specified and charged for by the dealer separately without including such amounts in the price of the goods sold;

(vi) all amounts allowed as discount, provided that such discount is allowed in accordance with the regular practice of the dealer or is in accordance with the terms of a contract or agreement entered into a particular case and provided also that the accounts show that the purchaser has paid only the sum originally charged less discount;

(vii) (a) all amounts allowed to purchasers in respect of goods returned by them to the dealer when the goods are taxable on sales provided that the goods were returned within a period of six months from the date of delivery of the goods and the accounts show the date on which the goods were returned and the date on which and the amount for which refund was made;

(b)all amounts received from the sellers in respect of goods returned to them by the dealer, when the goods are taxable on the purchase value provided that the goods were returned within a period of six months from the date of delivery of the goods and the accounts show the date on which the goods were returned and the date on which and the amount for which refund was received;

(viii) such amounts towards labour charges and other like charges not involving any transfer of property in goods, actually incurred in connection with the execution of works contract, or calculated at the rates prescribed;

(ix) all amounts realized by a dealer by the sale of his business as a whole;

(x) the total amount paid or payable by the dealer as a consideration for the purchase of any of the goods in respect of which tax is leviable at the point of sale;

(xi) the total amount paid or payable to the dealer as a consideration for the sale of any of the goods in respect of which tax is leviable at the point of purchase;

Provided further that, save as otherwise provided in this sub-Section, no other deduction shall be made from the total turnover of a dealer for the purposes of this Section.

(2) The provisions of this Act and the rules made thereunder shall, so far as may be, apply in relation to the assessment, collection or refund of the resale tax, as they apply in relation to the assessment, collection or refund of tax under the other provisions of this Act.**"**

(9) Section 6-D shall be *omitted*;

(10) in Section 8-A, in clause (a) of sub-Section (5), after the words, "a sum", the words "not less than one half but" shall be *inserted*.

(11) in Section 12, in sub-Section (4),

(a) in clause (a), for the words, "one and a half times", the words, " an amount equivalent to the tax due" shall be *substituted*;

(b) in clause (b), for the words, "one and half times", the words " an amount equivalent to tax but not less than one half of " shall be *substituted*;

(c) in clause (c), for the words, "one and a half times ", the words, " an amount equivalent to the tax due" shall be *substituted*;

(12) in Section 12-A, in sub-Section (1-A), for the words, "one and a half ", the words "an amount equivalent to tax but not less than one half of" shall be *substituted*;

(13) in Section 12-B, in sub-Section (4), the words, "one and half times", shall be *omitted*;

(14) in Section 12-C, in sub-Section (1),

(a) in clause (a),

(i) after the words "selling of goods", the words "whose total turnover in a year is not more than fifty lakh rupees, " shall be *inserted*;

(ii) after sub-clause (iv), the following shall be *inserted*, namely.-

**"**(v) such dealer has got his accounts audited under Section 26-A and submitted to the assessing authority a copy of the audited statement of accounts and certificates in the prescribed manner.**"**

(b)in clause (b),

(a) for the words, "twenty-five lakhs", the words "one hundred lakhs" shall be *substituted*;

(b) after sub-clause (ii), the following shall be *inserted*, namely.-

**"**(iii) such dealer has got his accounts audited under Section 26-A and submitted to the assessing authority a copy of the audited statement of accounts and certificates in the prescribed manner.**"**

(15) after Section 12-D the following shall be *inserted*, namely.-

**"12-E. Re-assessment in certain cases.- (**1**)** Where an assessee within one year from the service of a notice of demand makes an application that failure to furnish declarations prescribed under Section 5-A prevented him from claiming the concessional rate of tax on sale of inputs, the assessing authority shall cancel the assessment and proceed to re-assess such assessee to the extent of claims made under Section 5-A.

Provided that no application under this sub-section shall be entertained by the assessing authority if the tax assessed is not paid and the declarations prescribed under section 5-A are not furnished together with such application.

(2) Nothing contained in sub-section (1) shall apply to an assessment which has been made the subject – matter of an appeal under Section 20.

(3) No appeal shall lie under Section 20 against an order passed under this Section.

(4) Every order passed under this Section, shall subject to the provisions of Sections 22, 23, 24 and 25-A, be final."

(16) in Section 13, explanation to sub-Section (2) shall be renumbered as Explanation-I and after Explanation-I as so renumbered, the following Explanation shall be and shall be deemed always to have been *inserted,* namely.-

**"Explanation – II.** – For the purpose of this sub-Section non- payment during any period during which recovery of any tax or other amount due under the Act is stayed by an order of any authority or Court in any appeal or other proceedings disputing such tax or amount, shall be deemed to be a 'default'."

(17) in Section 17,-

(i)in sub-section (4),

*(a)* in clause (i), for the words " or a dealer being a woman catering food and drinks", the words " or a dealer catering food and drinks in places other than where liquor including beer is served (excluding in the premises of a club registered under the Karnataka

Societies Registration Act, 1960) or a registered club including a dealer serving food and drinks in the premises of such club" shall be *substituted.*

(b) in clause (ii), for the words " or a dealer being a woman catering food and drinks", the words " or a dealer catering food and drinks or a registered club including a dealer serving food and drinks in such club" shall be substituted.

(ii) for sub-Section (7), the following shall be *substituted*,

namely.-

" (7) Nothing contained in sub-Section (6) shall apply to a dealer who purchases or receives goods from outside the State for the purpose of using such goods in the execution of works contract. **"**

(ii) in sub-section 10, for the table, the following shall be *substituted*, namely.-

**" TABLE**

| Sl.no | Type of draw | Rate per draw |
|---|---|---|
| 1. | Weekly Draw | Fifteen thousand rupees |
| 2. | Fortnightly Draw including any draw the period which is more than a week but less than a fortnight. | Forty thousand rupees |
| 3. | Monthly Draw including monthly Bumper Draw and every draw the period of which is more than a Fortnight but less than a month. | Seventy thousand rupees |

| Sl.no | Type of draw | Rate per draw |
|---|---|---|
| 4. | Special Bumper Draw or Festival Bumper Draw including any other draw not covered by any other category and any draw the period of which is more than a month. | One lakh and seventy five thousand rupees |

(18) in Section 18, sub-Section (3) shall be *omitted*;

(19) in Section 18-A, for the words, "not exceeding one and a half times", the words "not less than one half but not exceeding an amount equivalent to " shall be substituted;

(20) in Section 20, in sub-section (5),

(i) in clause (a), after sub-clause (ia), the following shall be *inserted*, namely.-

**"**(ii) set-aside the assessment and direct the assessing authority to make a fresh assessment after such further enquiry as may be directed; **"**

(ii) the following proviso shall be and shall be deemed to have been *inserted* with effect from the First day of April, 2001, namely.-

" Provided that the appellate authority shall not set aside any assessment and direct the Assessing Authority to make a fresh assessment."

(iii) for the proviso so inserted, the following proviso shall be substituted, namely.-

**"** Provided that the appellate authority shall not set-aside any assessment for not more than one time and, such fresh assessment shall be completed within a period of ninety days from the date of receipt of records after such remand. **"**

(21) in Section 21, the proviso to sub-Section (2) shall be *omitted*;

(22) in Section 22,

(i) sub-Section (3-A), shall be omitted.

(ii) in sub-Section (5), after the proviso, the following shall be *inserted*, namely.-

**"**Provided further that the Appellate Tribunal may, in case of any appeal against an order passed by the Deputy Commissioner or Joint Commissioner under Section 20, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax disputed:

Provided also that the Appellate Tribunal shall dispose of such appeal falling under second proviso within a period of one hundred eighty days from the date of the order staying proceedings of recovery of one half of tax and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period. **"**

(23) In section 24 in sub-section (1), after the words, figures and letter "under section 22A" the words and figure " or a dealer aggrieved by the order of the Authority under section 4 " shall be inserted.

(24) in Section 28, in sub-section (3-A), in clause (iv).-

(i) for the words and punctuation marks **"** levy a penalty, which .- **",** the words **"** levy a penalty which shall not be less than double the amount of tax leviable and not exceeding three times the amount of tax leviable in respect of the goods stocked. **"** shall be *substituted*;

(ii) sub-clauses (a) and (b) excluding the proviso shall be *omitted.*

(25) in Section 28-A,

(i) in sub-section (2) the following proviso shall be *inserted,* namely,-

**“** Provided that where the seller’s total turnover for the year ending Thirty first day of March 2001 as declared in the return for such period is not less than fifty lakh rupees, or where the goods are carried within the limits of a local authority or an industrial area not as a result of sale, the delivery note shall be the one in the prescribed form permitted to be so issued by him."

(ii)in sub-Section (4), for the words, “levy a penalty which shall not be less than double the amount of tax leviable and not exceeding three times the amount of tax leviable in respect of goods under transport ”, the following shall be *substituted*, namely.-

**“** levy a penalty, which, -

(a)shall not be less than the amount of tax leviable but shall not exceed one and half of the amount of tax leviable in respect of the goods under transport in contravention of clause (e) of sub-section (2), if a dealer registered under the Act accepts that he is the consignor or consignee of the goods,

(b) in cases other than those falling under clause (a), shall not be less than double the amount of tax leviable but shall not exceed three times the amount of tax leviable in respect of the goods under transport **.** **”**

(iii) in sub-section (7), for clause (a) including the proviso, the following shall be *substituted* namely,

**“** (a) The person aggrieved by the levy of penalty under this section may, appeal within thirty days from

the date on which the notice of penalty was served on the person, -

(i) to the Appellate Joint Commissioner of Commercial Taxes of the area, if the levy made is by a Deputy Commissioner of Commercial Taxes or by an Assistant Commissioner of Commercial Taxes; and

(ii) in other cases to the Appellate Deputy Commissioner of the area concerned.

Provided that where the person aggrieved is a dealer registered under the Act, such person may appeal to the appropriate appellate authority of the area in which he is registered.

Provided further that where an order staying proceedings of recovery of any penalty levied is made in any order relating to an appeal, the Appellate Authority shall dispose of such appeal within a period of ninety days from the date of such order and, if such appeal is not so disposed of within the said specified period, the order of stay hall stand vacated after the expiry of the said period.

Provided also that where an appeal made to the Appellate Joint Commissioner under this clause prior to the date of the Karnataka Taxation Laws (Amendment) Act, 2002 in respect of any matter for which an appeal lies to the Deputy Commissioner after such date is pending on such date it shall stand transferred to the concerned Appellate Deputy Commissioner who shall dispose of the same as if such appeal was made to him.**"**

(26) for Section 28-B, the following shall be *substituted*, namely.-

“ **28-B. Transporter, etc., to furnish information.-** (1) Every person or a clearing or forwarding house or agency, transporting agency, shipping agency, shipping out agency or steamer agency or air-cargo agency or courier agency engaged in the business of transporting taxable goods in the State shall furnish to any officer empowered under sub-section (3) of Section 28-A, the particulars of all taxable goods, cleared, forwarded, transported or shipped by it or him for any period, in the area of jurisdiction of such officer.

**(2)** The empowered officer shall have the power to call for and examine the books of accounts or other documents in the possession of such person or agency with a view to verify the correctness of any information furnished."

(27) in Section 29,

(i) in sub-section (1), for the words, letter and brakets “be liable in case of contravention referred to in clause (c) to a simple imprisonment for a period of not less than six months but which may extend to one year where the amount of tax assessed or penalty levied is not less than ten lakh rupees and where the amount of tax assessed or penalty levied is less than ten lakh rupees, to a simple imprisonment for a period of not less than six months but which may extend to one year or with fine of not less than rupees five thousand but which may extend to rupees ten thousand and or both and in other cases liable to fine which shall not be less than five hundred rupees but which may extend to five thousand rupees. ”, the following shall be *substituted*, namely, -

"(i) in case of contravention referred to in clause (c) to a simple imprisonment for a period of not less than six months but which may extend to one year, where the

amount of tax assessed or penalty levied is not less than ten lakh rupees".

(ii) in case of contravention referred to in clause (c) and where the amount of tax assessed or penalty levied is less than ten lakh rupees, to a simple imprisonment for a period of not less than six months but which may extend to one year or with fine of not less than rupees five thousand but which may extend to rupees ten thousand and or both, and

(iii) in other cases to fine which shall not be less than five hundred rupees but which may extend to five thousand rupees.

(ii) in sub-section (2), for clause (aa), the following clause shall be substituted, namely:-

"(aa) is required to furnish information under section 28-B fails to furnish such information.**"**

(28) in section 30,in sub-Section (1), after the words "punishable under", the words, figure and brackets "clause (i) of sub-Section (1) or " shall be *inserted*.

(29) in the Second Schedule,

(i) in Part 'A',

(a) in the entries relating to serial number 1, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(b) in the entries relating to serial number 2, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

( c ) in the entries relating to serial number 4, in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted.*

(d) in serial number 5,

(i) in the entries relating to item (i), in column 3, for the words “Ten per cent”, the words “Four per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(iv) in the entries relating to item (iv), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(v) in the entries relating to item (v), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(vi) in the entries relating to item (vi), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(vii) in the entries relating to item (vii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(e) in the entries relating to serial number 5-A, in column 3, for the words “Two per cent”, the words “Four per cent” shall be *substituted.*

(f) in the entries relating to serial number 8, in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

(g) in the entries relating to serial number 9, in column 3, for the words “Fifteen per cent”, the words “Twenty per cent” shall be *substituted.*

(ii) in Part ‘B’,

(a) in the entries relating to serial number 2, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(b) in the entries relating to serial number 4, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(c) in the entries relating to serial number 6, in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

(d) in serial number 8,

(i) in the entries relating to item (i), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(e) in serial number 10,

(i) in the entries relating to item (i), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(f) in the entries relating to serial number 12, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(iii) in Part ‘C’,

(a) in the entries relating to serial number 3, in column 3, for the words “Fifteen per cent”, the words “Twenty per cent” shall be *substituted.*

(b) in serial number 5, in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(c) in the entries relating to serial number 6, in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

(d) in serial number 7, in the entries relating to item (ii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(e) in the entries relating to serial number 8-A, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(f) in the entries relating to serial number 9, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(g) in the entries relating to serial number 12, in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

(h) in the entries relating to serial number 13, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(i) in the entries relating to serial number 14, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(j) in the entries relating to serial number 15, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(k) in the entries relating to serial number 15-A, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(l) in the entries relating to serial number 16, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(m) in the entries relating to serial number 17, in column 3, for the words “Ten per cent”, the words “Four per cent” shall be *substituted.*

(n) in the entries relating to serial number 17-A, in column 3, for the words “Fifteen per cent”, the words “Twenty per cent” shall be *substituted.*

(o) in serial number 18,

(i) in the entries relating to item (ii), in column 3, for the words “Ten per cent”, the words “Eight per cent” shall be *substituted.*

(ii) in the entries relating to item (iii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(iii) in the entries relating to item (iv), in column 3, for the words “Ten per cent”, the words “Four per cent” shall be *substituted.*

(p) in the entries relating to serial number 19, in item (ii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(q) in serial number 20,

(i) in the entries relating to item (ii), in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

(ii) in the entries relating to item (iii), in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

(iii) in the entries relating to item (iv), in column 3, for the words “Eight per cent”, the words “Four per cent” shall be *substituted.*

(r) in serial number 21,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(s) in the entries relating to serial number 22-A, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(t) in serial number 23,

(i) in the entries relating to item (i), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words “Ten per cent”, the words “Four per cent” shall be *substituted.*

(iv) in the entries relating to item (iv), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(u) in serial number 26,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(iv)in Part ‘D’,

(a) in serial number 1, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted.*

(b) in serial number 2, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted.*

(c) in serial number 3, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted*

(d) in serial number 4, in Column (3) for the words “ Twelve per cent ”, the words “ Fifteen per cent ” shall be *substituted.*

(e) in serial number 6, in Column (3) for the words “ Ten per cent ”, the words “ Twelve per cent ” shall be *substituted.*

(iii) in Part ‘E’,

(a) serial number 2,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (iv), in column 3, for the words “Eight per cent”, the words “Twleve per cent” shall be *substituted.*

(iii) in the entries relating to item (v), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(iv) in the entries relating to item (vi), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(b) in the entries relating to serial number 3, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(c) in the entries relating to serial number 4, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(iv) in Part ‘F’,

(a) in the entries relating to serial number 1, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(b) in the entries relating to serial number 3, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(c) in the entries relating to serial number 5, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(d) in the entries relating to serial number 6, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(e) in serial number 7, in the entries relating to item (i), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(f) in serial number 8,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Eight per cent”, the words “Fifteen per cent” shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(iv) in item (v), , in the entries relating to in sub-item (a), in column 3, for the words “Ten per cent”, the words “twelve per cent” shall be *substituted.*

(v) in the entries relating to in item (vi), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(vi) in the entries relating to in item (vii), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted.*

(g) in the entries relating to serial number 9, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(h) in the entries relating to serial number 10, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(i) in the entries relating to serial number 11, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(j) in the entries relating to serial number 11-A, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(k) in serial number 12,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(l) in the entries relating to serial number 13, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(m) in the entries relating to serial number 14, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(v) in Part ‘G’,

(a) in the entries relating to serial number 1, in column 3, for the words “Ten per cent”, the words “Eight per cent” shall be *substituted.*

(b) in the entries relating to serial number 2, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(c) in the entries relating to serial number 3, in column 3, for the words “Ten per cent”, the words “Eight per cent” shall be *substitute.*

(d) in the entries relating to serial number 5, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(e) in the entries relating to serial number 6, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(viii) in Part “H”,

(a) in serial number 1,

(i)in the entries relating to item (i), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted*

(ii) in the entries relating to item (ii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(iv) in the entries relating to in item (iv), in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(b) in the entries relating to serial number 1-A, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(c) in the entries relating to serial number 2, in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted.*

(ix)in Part ‘I’,

(a) in the entries relating to serial number 1, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(b) in the entries relating to serial number 3, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(c) in the entries relating to serial number 4, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(d) in serial number 6,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(x) in Part-J, in Serial Number 3, in Column 3 for the words " Ten per cent ", the words " Twelve per cent " shall be *substituted.*

(xi)in Part 'K',

(a) in the entries relating to serial number 1, in column 3, for the words "Ten per cent", the words "Fifteen per cent" shall be *substituted.*

(b) in serial number 1-A,

(i) in the entries relating to item (i), in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted.*

(c) in the entries relating to serial number 2, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(d) in the entries relating to serial number 3, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(xii) in Part 'L'

(a) in the entries relating to serial number 1, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(b) in the entries relating to serial number 3, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(c) in the entries relating to serial number 4, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(d) in the entries relating to Serial Number 7, in column 3, for the words "Four per cent", the words " Twenty per cent " shall be *substituted.*

(xiii) in Part 'M'

(a) in serial number 1,

(i)in item (i), in the entries relating to sub-item (b), in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be substituted.

(ii) in item (ii), in the entries relating to sub-item (b), in column 3, for the words "Eight per cent", the words "Four per cent" shall be deemed to have been *substituted* with effect from the first day of April 2001 .

(iii) in item (iii), in the entries relating to sub-item (a), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(iv) in item (iii), in the entries relating to sub-item (c), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(v)in item (iii), in the entries relating to sub-item (d), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(b) in the entries relating to Serial Number 4, in column 3, for the words "Fifteen per cent", the words " Twenty per cent " shall be *substituted.*

(c) in the entries relating to serial number 5, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(d) in the entries relating to serial number 6, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(e) in the entries relating to serial number 7, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted.*

(f) in the entries relating to serial number 7-A, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted.*

(g) in the entries relating to serial number 9, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(h) in the entries relating to serial number 10, in column 3, for the words "Twenty per cent", the words "Twenty-five per cent" shall be *substituted.*

(i) in the entries relating to serial number 11, in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted.*

(j) in serial number 12,

(i) in the entries relating to item (i), in column 3, for the words "Twenty two per cent", the words "Thirty per cent" shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words "Fifteen and half per cent", the words "Twenty five per cent" shall be *substituted.*

(k) in serial number 14,

(i) in the entries relating to item (ii), in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted.*

(ii) in the entries relating to item (iii), in column 3, for the words

"Ten per cent", the words "Twelve per cent" shall be *substituted.*

(l) in serial number 15,

(i) in the entries relating to item (i), in column 2, for the words "Indian Musical Instruments and parts and accessories thereof", the words " Indian Musical Instruments namely 'Veena, Violin, Tambura, Mridanga, Ghatam, Khanjira, Flute, Sitar, Sarod, Santoor, Dilruba, Nadaswara, Dolu, Tabla, Shehnai, Pakwaz, Vichitra Veena, Gotu Vadyam, Morsing, Chande, Triangle, Rudraveena and Sarangi, and parts and accessories thereof " shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

"Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(xiv) in Part 'O' ,

(a) in the entries relating to serial number 1-A, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted.*

(b) in the entries relating to serial number 2, in column 3, for the words "Twenty per cent", the words "Twenty five per cent" shall be *substituted.*

(c) in serial number 3,

(i) in the entries relating to item (i), in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

"Ten per cent", the words "Twelve per cent" shall be *substituted.*

(xv) in Part 'P',

(a) in serial number 1,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

“Twelve per cent”, the words “fifteen per cent” shall be *substituted.*

(b) in the entries relating to serial number 1-A, in column 3, for the words “Twenty per cent”, the words “Twenty five per cent” shall be *substituted.*

(c) in the entries relating to serial number 4, in column 3, for the words “Eight per cent”, the words “Twelve per cent” shall be *substituted.*

(d) in serial number 5,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

“Twelve per cent”, the words “fifteen per cent” shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words

“Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(e) in the entries relating to serial number 6, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(f) in serial number 7, in the entries relating to item (iii) , in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(g) in the entries relating to serial number 8, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(h) in the entries relating to serial number 10, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(i) in serial number 12,

(i) in the entries relating to item (i), in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

"Ten per cent", the words "Twelve per cent" shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words

"Ten per cent", the words "Twelve per cent" shall be *substituted.*

(xvi) in Part 'R',

(a) in the entries relating to serial number 2, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(b) in the entries relating to serial number 4, in column 3, for the words "Ten per cent", the words "Fifteen per cent" shall be *substituted.*

(c) in the entries relating to serial number 5, in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted.*

(d) in the entries relating to serial number 5-A, in column 3, for the words "Ten per cent", the words "Four per cent" shall be *substituted.*

(e) in serial number 6, in the entries relating to item (i), in column 3, for the words “Fifteen per cent”, the words “Twenty per cent” shall be *substituted.*

(f) in the entries relating to serial number 8, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(g) in serial number 9,

(i) in the entries relating to item (i), in column 3, for the words

“Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

“Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(h) in serial number 10,

(i) in the entries relating to item (i), in column 3, for the words “Eight per cent”, the words “Twelve per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

“Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words

“Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(iv) in the entries relating to item (iv), in column 3, for the words

"Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(i) in the entries relating to serial number 11, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(j) in the entries relating to serial number 12, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(xvii) in Part 'S',

(a) in the entries relating to serial number 2, n column 3, for the words "Twelve per cent ", the words "Four per cent" shall be *substituted.*

(b) in the entries relating to serial number 3, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(c) in the entries relating to serial number 4, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(d) in the entries relating to serial number 5, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(e) in the entries relating to serial number 5-A, n column 3, for the words "Eight per cent ", the words "Four per cent" shall be *substituted.*

(f) in the entries relating to serial number 7, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(g) in serial number 9,

(i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

"Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(iii) in the entries relating to item (iii), in column 3, for the words

"Ten per cent", the words "Twelve per cent" shall be *substituted.*

(iv) in the entries relating to item (iv), in column 3, for the words

"Ten per cent", the words "Twelve per cent" shall be *substituted.*

(h) in serial number 15,

(i) in the entries relating to item (i), in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted.*

(ii) in the entries relating to item (i-a), in column 3, for the words

"Eight per cent", the words "Twelve per cent" shall be *substituted.*

(iii) in the entries relating to item (ii), in column 3, for the words

"Eight per cent", the words "Twelve per cent" shall be *substituted.*

(iv) in the entries relating to item (ii-a), in column 3, for the words

"Eight per cent", the words "Twelve per cent" shall be *substituted.*

(i) in the entries relating to serial number 15-A, in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted.*

(j) in serial number 17, in item (i), in the entries relating to sub-items(a),(b)and (c), in column 3, for the words "Twelve per cent", the words "Twenty per cent" shall be *substituted.*

(k) in the entries relating to serial number 18, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(l) in the entries relating to serial number 18-A, in column 3, for the words "Eight per cent", the words "Four per cent" shall be *substituted.*

(m) in the entries relating to serial number 18-B, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(n) in the entries relating to serial number 19, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(o) in the entries relating to serial number 21, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(p) in the entries relating to serial number 22, in column 3, for the words "Four per cent", the words "Eight per cent" shall be *substituted.*

(q) in the entries relating to serial number 24, in column 3, for the

words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(xviii) in Part 'T',

(a) in the entries relating to serial number 1-A, in column 3, for the words "Eight per cent", the words "Twelve per cent" shall be *substituted.*

(b) in the entries relating to serial number 3, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

( c )in serial number 5,

*(i)* in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

*(ii)* in the entries relating to item (ii), in column 3, for the words “Eight per cent”, the words “Twelve per cent” shall be *substituted.*

(d) in the entries relating to serial number 6-A, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(e) in the entries relating to serial number 7, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(f) in the entries relating to serial number 7-A, in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted.*

(g) in the entries relating to serial number 7-B, in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(h) in serial number 8,

(i) in the entries relating to item (i), in column 3, for the words “Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

“Twelve per cent”, the words “Fifteen per cent” shall be *substituted.*

(iii) in the entries relating to item (iv), in column 3, for the words

"Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(iv) in the entries relating to item (v), in column 3, for the words

"Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(v) in the entries relating to item (vi), in column 3, for the words

"Eight per cent", the words "Four per cent" shall be *substituted.*

(i) in the entries relating to serial number 9-A, in column 3, for the words "Twenty per cent", the words "Twenty Five per cent" shall be *substituted.*

(j) in the entries relating to serial number 9-B, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(k) in serial number 10,

(i) in the entries relating to item (i), in column 3, for the words "Fifteen per cent", the words " Twenty per cent" shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be *substituted.*

(l) in the entries relating to serial number 10-A, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(m) in serial number 10-B, in the entries relating to item (ii), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(xix) in Part 'V',

(a) in the entries relating to serial number 1, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(b) in the entries relating to serial number 2, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(xx) in Part 'W',

(a) in the entries relating to serial number 3, in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(b) in the entries relating to serial number 4, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(c) in the entries relating to serial number 4-A, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(d) in the entries relating to serial number 5, in column 3, for the words "Ten per cent", the words "Twelve per cent" shall be *substituted.*

(e) in serial number 6,

(i) in the entries relating to item (i), in column 3, for the words "Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(ii) in the entries relating to item (ii), in column 3, for the words

"Twelve per cent", the words "Fifteen per cent" shall be *substituted.*

(f) in the entries relating to serial number 7, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(g) in the entries relating to serial number 8, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(xxi) in Part ‘X’, in the entries relating to serial number 1, in column 3, for the words “Ten per cent”, the words “Twelve per cent” shall be *substituted.*

(30) in the third Schedule,

(a) in the entries relating to serial number 1, in column 3, for the words “Ten per cent”, the words “Four per cent” shall be *substituted.*

(b) in serial number 6, in the entries relating to item (ii), in column 3, for the words “Four per cent”, the words “Eight per cent” shall be *substituted.*

(31) in the Fourth Schedule,

(a)in the heading, the words "a single point" shall be *omitted.*

(b)after the entries relating to Serial Number 1, the following entries shall be *inserted*, namely .-

| | | |
|---|---|---|
| “ 1-A. | Aviation Turbine Fuel sold to a Turbo - Prop Aircraft | 4% ” |

(c) in the entries relating to Serial Number 2, in item (a), in sub-item (i), for the words “ pig iron and ”, the words “ pig iron, sponge iron and ” shall be and shall be deemed to have been *substituted* with effect from the First day of April, 2001.

(d)explanations II and III shall be omitted.

(e)after explanation IV-A, the following explanation shall be and shall be deemed to

have been *inserted* with effect from the First day of April, 2001, namely.-

> **" Explanation V. -** For the purpose of Serial Number 1-A, " Turbo-Prop Aircraft " means an aircraft deriving thrust, mainly from propeller, which may be driven by either turbine engine or piston engine. **"**

(32) in the fifth Schedule the entries relating to serial numbers 3, 51 and 53 shall be *omitted*

(33) in the sixth Schedule, in column 3, for the words "Ten per cent", wherever they occur, the words "Twelve per cent" shall be *substituted.*

(34) ninth Schedule shall be *omitted.*

**4. Amendment of Karnataka Act 22 of 1979. -** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979).-

(i) in section 4-B, in sub-section (3), for clause (iii), the following clause shall be and shall be deemed to have been *substituted* with effect from the First day of April, 2000,namely.-

"(iii) other than relating to gutka on which tax under the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979) has been levied or has become leviable."

(ii) in the Schedule, for the entries relating to Serial Number 5, the following entries shall be and shall be deemed to have been *substituted*, with effect from the First day of April, 2001, namely.-

"5. Electronic goods imported from outside the country namely.-

i) Television sets

ii) Telephones of every description including cellular phones

iii) Audio and Video cassette / disks players and recorders

iv) Photographic and video cameras

v) Music and home theatre systems; speakers

vi) Electronic toys and games

vii) Electronic clocks, time pieces and watches

viii) Electronic calculators

ix) Digital diaries

x) Musicalinstruments. Twelve percent "

(iii) after the Schedule, the following explanation shall be and shall be deemed to have been *inserted,* with effect from the First day of April, 2001, namely.-

" **Explanation**.- Where the rate of tax payable on any electronic goods by a stockist, under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) is lower than the rate of tax payable on the said goods under this Act, then the rate of tax payable under this Act shall be at such lower rate. "

**5. Amendment of Karnataka Act 27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), in Section 18-A, in sub-section (3), for the words "penalty not exceeding double the amount of tax leviable under this Act in respect of the goods under transport", the following shall be substituted, namely,

**"**a penalty, which, -

(a) shall not be less than the amount of tax leviable but shall not exceed one and half of the amount of tax leviable in respect of the goods under trans- port in contravention of clause (e) of sub-section (2) of Section 28-A of the Sales Tax

Act, if a dealer registered under this Act accepts that he is the consignor or consignee of the goods,

(b) in cases other than those falling under clause (a), shall not be less than double the amount of tax leviable but shall not exceed two and half times the amount of tax leviable in respect of the goods under transport . ”

**6. Amendment of Act 30 of 1958**,- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 2,

(a)clause (ba) shall be renumbered as clause (bb) and before clause (bb) as so renumbered, the following clause shall be inserted, namely:-

" (ba) " Amusement " means any amusement for which persons are required to make payment for admission to any amusement arcade or amusement park or theme park or by whatever name called."

(b) in clause (e),

(i)in sub-clause (iii) after the words " any amusement" the words " or recreation or any entertainment provided by a multi system operator" shall be inserted.

(ii)in the explanation, the words " billiards, snooker" shall be omitted.

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

" (gg) " Multi System Operator" means person engaged in the business of receiving and distributing satellite television signals, communication network, including production and transmission of programmes and packages."

(iv) in clause (i), in sub-clause (iv-a), for the words "by a person attending the entertainment which enables entry of

any other person in to the entertainment ", the words "with a view to promote goodwill, brand name or any business interest directly or indirectly which enables entry of any person into the entertainment" shall be *substituted.*

(v) after clause (k), the following shall be inserted, namely:-

" (l) " Recreation parlour" means any place where a game such as bowling, billiards, snooker or the like by whatever name called is provided, for which persons are required to make payment for admission or participation. "

(2) in section 3,

(i) in sub-section (1), for the figures "80", the figures " 70" shall be substituted.

(ii) in sub-section (1A), in the table, in serial number (a), for the words "one hundred rupees" the words " two hundred and fifty rupees" shall be substituted;

(3) in section 3C, in sub-section (1), after clause (a),

(i) the following proviso shall be deemed to have been inserted with effect from the First day of April, 1996, namely:-

" Provided that in case of a Kannada Film which is remake of a film of other language, which has secured a Censor Certificate from the Central Board of Film Certification on or before 31st day of March, 2002, no tax shall be levied under section 3 up to 31st day of March, 2002."

(ii) after the proviso as so inserted, the following proviso shall be inserted, namely:-

" Provided further that tax at the rate of seventy-five per cent of the tax payable under section 3 shall be levied from 1st day of April, 2002 on a Kannada film which is a remake of a film of other language and which has secured a Censor Certificate from the Central Board of Film Certification.

(4) in Section 4-AA, in the table, in the entries relating to serial number (a), in column (3), for the words " one rupee", the words "one Rupee fifty paise " shall be substituted.

(5) in section 4B, in sub-section (1), for the words, " at the rate of five thousand rupees per month " the words " at the following rates " shall be substituted, namely:-

| 1 | 2 | 3 |
|---|---|---|
| (i) | Within the limits of City Municipal Corporations constituted under the Karnataka Municipal Corporations Act, 1976 and Cantonment Boards | Rs.15,000/- per month |
| (ii) | Within the limits of All Municipal Councils constituted under the Karnataka Municipalities Act, 1964 | Rs.7,500/- per month |
| (iii) | Places other than (I) and (ii) above | Rs.5,000/- per month |

(6) after section 4D, the following sections shall be *inserted*, namely:-

" 4E**. Tax on amusement**- There shall be levied and collected a tax calculated at the rate of twenty per cent on each payment for admission to an amusement. The tax so levied shall be paid by the proprietor.

4F. **Tax on recreation parlours-** There shall be levied and collected a tax calcualted at the rate of twenty per cent on each payment for admission to

recreation parlour. The tax so levied shall be paid by the proprietor.

4G. **Tax on Multi System Operator-** Notwithstanding anything contained in sections 4C and 4D, there shall be levied and collected a tax at the rate of ten percent on the amounts received by a Multi System Operator towards distributing satellite television signals, communication network, including production and transmission of programmes and packages. "

(7)in section 6A, in sub-section (3) for the words, figure and letter " and 4D" the words, figures and letters " 4D, 4E, 4F and 4G " shall be *substituted.*

(8) in section 6B, in sub-section (1),

(i) in clause (i), for the words, letter and figure " and section 4D" the words, letters and figures " Section 4D, section 4E and section 4F " shall be substituted.

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

" (ii-a) any tax payable under section 4G has escaped assessment to tax ;"

(iii) in clause (iii), for the words, letter and figure " and section 4D, " the words, figures and letters "or section 4D or section 4E or section 4F or section 4G" shall be *substituted.*

*(iv)* in the last paragraph, after the words, figure and letter " or section 4D", the words, letters and figures " or section 4E or section 4F or section G" shall be *inserted.*

(9) in section 10, in sub-section (1), clauses (a) and (aa) shall respectively be renumbered as clauses (aa) and (aaa) and before clause (aa) as so

renumbered, the following clause shall be *inserted,* namely:-

" (a) officer empowered by the State Government or by the Commissioner in this behalf, may for the purpose of this Act, require any proprietor to produce before him the accounts and other documents and also to furnish any information relating to his business."

(10) in section 12,

*(i)* in sub-section (1), for the words " which shall not be less than five thousand rupees but which may extend to ten thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted.*

*(ii)* in sub-section (1A), for the words " which shall not be less than five thousand rupees but which may extend to ten thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted.*

(iii) in sub-section (1B), for the words " which shall not be less than five thousand rupees but which may extend to ten thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted.*

(iv) in sub-section (1C), for the words " which may extend to five thousand rupees" the words " which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year" shall be *substituted.*

(11) in section 13,

(i) in clause (a), for the words " not exceeding five thousand rupees or double the amount of tax payable, whichever is greater" the words " not less than ten thousand rupees for the first offence and not less than fifteen thousand rupees for any second or subsequent offence during the financial year but not exceeding the double the amount of tax whichever is greater " shall be *substituted.*

(ii) in clause (b), for the words " not exceeding five thousand rupees " the words " not less than ten thousand rupees for the first offence and not less than fifteen thousand rupees for any second or subsequent offence during the financial year " shall be *substituted.*

**7. Validation of assessments, etc.-** (1) Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the

provisions of the Karnataka Sales Tax,1957 (Karnataka Act 25 of 1957), (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2001 (hereinafter referred to as the Amendment Act ) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by sub-clauses (vi) and (vii) of clause (22) of Section 3 of the Amendment Act and accordingly.-

(a) all acts, proceedings or things taken or done by any authority in connection with levy ,the assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

(2) Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979), (hereinafter referred to as the said Act) before the commencement of this Act shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made,

taken or done under the said Act, as amended by clause (i) of Section 4 of this Act and accordingly.-

(a) all acts, proceedings or things taken or done by any authority in connection with levy ,the assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

## KARNATAKA ACT NO. 26 OF 2004

## THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2004

### Arrangement of Sections

***Sections:***

1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act No.30 of 1958
5. Amendment of Act No.35 of 1976
6. Amendment of Act No.22 of 1979
7. Amendment of Karnataka Act No.27 of 1979
8. Validation of assessments etc.,

### STATEMENT OF OBJECTS AND REASONS

To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932(Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Luxuries Act, 1979) and the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979).

Opportunity is also taken to rationalize certain provisions of the said Acts and also to codify and make certain consequential amendments to implement reliefs already announced.

Hence the Bill.

[ L.A. BILL No. 18 OF 2004 ]

(Entries 52, 54, 62, 60 of list II of Seventh Schedule to the Constitution of India)

## KARNATAKA ACT NO. 26 OF 2004

(First published in the Karnataka Gazette Extra-ordinary on the thirty first day of July, 2004)

## THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2004

(Received the assent of the Governor on the thirty first day of July, 2004)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-fifth year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Second Amendment) Act, 2004.

(2) It shall come into force from the first day of August, 2004.

**2. Amendment of Mysore Act IX of 1932.-** In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932),-

(1) In sub-section 3-A, for the words and punctuation marks, "as may be notified by the Government. Different amounts may be notified in respect of different licensees.", the words, "at the rate of four percent of the total amount of moneys paid into the totalisator." shall be and shall be deemed to have been substituted from the first day of April, 2004.

(2) In section 4-A, for the word, figures and letter "3-A and 4", the word, figures, letter and punctuation mark "3-A, 4, 6 and 7" shall be substituted.

**3. Amendment of Karnataka Act 25 of 1957.-** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(1) In section 3-A, in sub-section (2), after the words "registered dealer liable to pay tax under the Act", the words "or by a recognized association or a body representing a class of dealers" shall be inserted.

(2) In Section 4,-

(i) in sub-section (4), after the words "call for", the words "its finding on the clarification sought or question raised and also" shall be inserted.

(ii) in sub-section (5), for the word "allow", the word "admit" shall be substituted.

(iii) in sub-section (7),-

(a) for the word "allowed", the word admitted shall be substituted.

(b) after the words "so desires", the words "and also to the assessing authority or registering authority concerned" shall be inserted.

(c) for the words "four weeks", the words "ninety days" shall be substituted.

(3) In Section 5,-

(i) in sub-section (1), for the words "thirteen percent", the words "twelve per cent" shall be substituted.

(ii) in sub-section (5), in clause (b), after sub-clause (i), the following sub-clause shall be inserted, namely:-

"(i-a) Every dealer engaged in the execution of works contract mentioned in Sixth Schedule shall be liable to pay tax at the rate specified in the said schedule on his taxable turnover of transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract in each year whatever be the quantum of his total turnover during the year."

Published in the Karnataka Gazette Part IV-A Extra Ordinary No. 819 dated 31-7-2004 in Notification No. ಸಂವ್ಯಶಾಇ 23 ಶಾಸನ 2004

(4) In Section 5-A,-

(i) in sub-section (3), the following proviso shall be *inserted*, namely:-

"Provided that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which the purchase relates."

(ii) in sub-section (4), the following proviso shall be *inserted*, namely:-

"Provided that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which the purchase relates."

(5) In Section 6-A, in sub-section (3), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that no penalty shall be levied under this Section after a period of eight years from the close of the year to which the transaction relates."

(6) In Section 8-A , in sub-section (5),-

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

"(aa) Where the purchaser is a registered dealer, the assessing authority of such purchaser and in other cases the Assistant Commissioner of Commercial Taxes of the area or any officer empowered under sub-section (1) of Section 28, may levy penalty under this sub-section."

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

"Provided that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which the purchase relates."

(7) In Section 10-A, in sub-section (2), the following proviso shall be inserted namely:-

"Provided that the applicant shall be deemed to be registered if the prescribed authority does not reject the application submitted within a period of thirty days from the date of submission of such application."

(8) In Section 12-B,-

(a) in sub-section (1), the words "to the assessing authority", shall be omitted.

(b) in sub-section (4), after the proviso the following proviso shall be inserted, namely:-

"Provided further that no penalty shall be levied under this sub-section after a period of eight years from the close of the year to which any tax paid in short relates."

(9) In Section 12-C,-

(a) in sub-section (1),

(i) in clause (a), sub-clause (v) shall be omitted.

(ii) in clause (b), sub-clause (iii) shall be omitted.

(b) after sub-section (7), the following shall be inserted, namely:-

"(8) Notwithstanding anything contained in this Section or Section 12, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of dealers for any year shall be deemed to have

been made on the basis of the return submitted in accordance with sub-section (1) of Section 12 without requiring the presence of the dealer or production of books of account by the dealer."

(10) After Section 12-E, the following section shall be inserted, namely:-

"**12-F. Assessment of corporate bodies.-** Notwithstanding anything contained in this Act, where a dealer is a body corporate and has more than one place of business, Commissioner may, subject to such conditions as may be prescribed and with the consent of the dealer, treat each of such places of business as a separate unit for the purposes of levy, assessment and collection of tax and thereupon all the provisions of this Act regarding registration, filing of returns, assessment and collection of tax, shall apply as if each of such places of business is a separate unit."

(11) In Section 13-A, for the words "twelve per cent", the words "six per cent" shall be substituted.

(12) In Section 18-A, before the proviso the following proviso shall be inserted, namely:-

"Provided that no penalty shall be levied under this section after a period of eight years from the close of the year to which the contravention relates."

(13) After Section 19, the following section shall be inserted, namely:-

"**19-A. Deduction of tax at source (in case of works contract).-**(1) Notwithstanding anything contained in this Act, the Central Government, or any State Government, or an industrial, commercial or trading undertaking of the Central Government or of any State, or any such undertaking in joint sector or any other industrial, commercial or trading undertaking or any other person or body as may be notified by the Commissioner from time to time or a local authority or a statutory body, shall deduct out of the amounts payable by them to a dealer in respect of works contracts of the nature specified in the Sixth Schedule executed for them in the State, an amount equivalent to the tax payable by such dealer under the Act.

Provided that no such deduction shall be made if the amounts payable by them are in respect of sales of any goods, in the course of inter-State trade or commerce or, in the course of export out of the territory of India or, import into the territory of India or, outside the State.

(2) The deduction under sub-section (1) shall be made by an authority on the basis of tax payable as calculated by the dealer.

Provided that where it is found that the tax payable as calculated by any dealer was less than the tax payable for the works contract executed by more than fifteen per cent and being so informed, the authority shall make deduction out of any amounts payable subsequently based on the certificate issued by the assessing authority of the area or the assessing authority of the dealer on an application to be made by the authority or dealer which shall be disposed of by the assessing authority within ten days from the date of its receipt, failing which deduction shall be made as calculated by the dealer till issue of a certificate.

(3) The authority making deduction under sub-section (1), shall send every month to the prescribed authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deductions were made and the amount so payable shall for the purposes of Section 13 be deemed to be an amount due under this Act:

Provided that where default is made in complying with the provisions of this sub-section, the prescribed authority may, after such enquiry as it deems fit and after giving opportunity to the concerned authority of being heard, determine to the best of its judgment, the amount payable under this sub-section by such authority and the amount

so determined shall be deemed to be an amount due under the Act for the purposes of Section 13.

(4) If default is committed in the payment of tax deducted beyond ten days after the expiry of the period specified under sub-section (3), the authority making deductions under sub-section (1) shall pay, by way of penalty, a sum equal to the penalty specified under clause (ii) of sub-section (2) of Section 13 during the period in which such default is continued.

(5) The authority making deduction under sub-section (1) shall furnish to the dealer from whom such deduction is made, a certificate obtained from the prescribed authority containing such particulars as may be prescribed.

(6) Payment by way of deduction in accordance with sub-section (3), shall be without prejudice to any other mode of recovery of tax due under this Act from the dealer executing the works contract.

(7) Where tax in respect of the works contract is remitted under sub-section (3), the tax payable by the dealer for any month, quarter or for the whole year, as the case may be in respect of such works contract shall be reduced by the amount of tax already remitted under the said sub-section:

Provided that the burden of proving that the tax on such works contract has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction."

(14) In Section 20,-

(i) in sub-section (3), for the provisos, the following shall be substituted, namely:-

"Provided that the appellate authority may, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax along with the prescribed form of appeal.

Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax disputed and furnishing of sufficient security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days.

Provided also that where an order staying proceedings of recovery of any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order.

Provided also that if such appeal is not so disposed of within the period specified in the third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount."

(ii) in sub-section (5),-

(a) in clause (a), sub-clause (ii) shall be omitted;

(b) for the proviso, the following shall be substituted, namely:-

"Provided that the appellate authority shall not set aside any order of assessment or any other order and direct the assessing authority or other authority to make a fresh assessment or to make a fresh order.

Provided further that the appellate authority shall pass an order disposing of an appeal, within a period of thirty days from the date on which the

hearing of the case was concluded and where it is not practicable so to do on the ground of the exceptional and extraordinary circumstances of the case, the appellate authority shall fix a future date for passing the order, and such day shall not be a day beyond sixty days from the date on which the hearing of the case was concluded, and due notice of the day so fixed shall be given to the appellant."

(15) In Section 22,-

(i) in sub-section (3), after the words "accompanied by", the words "proof of payment of one half of tax or other amount disputed and also" shall be inserted.

(ii) for sub-section (5), the following shall be substituted, namely:-

"(5) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law for the time being in force, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of one half of the tax or other amount disputed, if the appellant makes payment of the other half of the tax or other amount disputed along with the prescribed form of appeal:

Provided further that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of one half of tax or other amount and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount."

(16) In Section 22-A, in sub-section (2), after the words "to him", the words "or the Authority for Clarification and Advance Rulings constituted under Section 4" shall be and shall be deemed to have been inserted from the First day of April, 2002.

(17) In Section 25-A, in sub-section (1), after the proviso, the following shall be *inserted*, namely:-

"Provided further that where an application is made by an assessee for rectification of any mistake in an order, as being apparent from the record and, such application has not been rejected by the assessing authority within sixty days from the date of receipt of the application, the order shall be deemed to have been amended rectifying such mistake. "

(18) In Section 28, -

(i) in sub-section (6),-

(a) after the word, figure and letter "or 12-B", the words "or that the year to which such turnover relates to has come to an end" shall be inserted.

(b) after the third proviso, the following provisos shall be inserted, namely:-

"Provided also that no provisional assessment under this Section shall be made in the case of any dealer after one hundred and eighty days from the date of seizure of accounts, registers, records and documents under sub-section (3).

Provided also that the officer taking action under this sub-section shall not be below the rank of the assessing authority of the dealer".

(ii) in sub-section (7) after the words "officer shall", the words "proceed to recover the tax assessed and" shall be inserted.

(19) In Section 28-A,-

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

(a) in clause (d), before the words " produce the", the words "report at the first check-post or barrier situated on the route ordinarily taken from the place in the State, from which the movement of the goods commences, to its destination and" shall be inserted;

(b) in clause (d), for the words "in sub-clauses", the words "in clauses" shall be substituted.

(c) for the proviso, the following shall be substituted, namely:-

"Provided that where the total turnover of the owner or consignor of the goods excluding such goods as may be notified by the Commissioner, for any year as declared in the return for such period is not less than fifty lakh rupees, or where the goods are carried within the limits of a revenue district not as a result of sale, the delivery note shall be the one in the prescribed form permitted to be so issued by him."

(ii) in sub-section (4), in clause (a), for the word, brackets and letter "clause (e)", the words, brackets and letters "clause (d) or (e)" shall be substituted.

(iii) in sub-section (6), in clause (b), for the first proviso, the following proviso shall be substituted, namely:-

"Provided that before taking possession or within ten days after taking possession of the goods or the goods vehicle, if the owner or person in-charge of the goods vehicle or the dealer registered under the Act, makes payment of penalty levied, the officer taking such possession shall forthwith return the goods or the goods vehicle to the person making such payment."

(20) In Section 28-AA, for the explanation, the following shall be substituted, namely:-

"**Explanation.-** In case where a vehicle owned by a person is hired for transportation of goods by some other person including a transporting or any other similar agency, both the persons shall for the purposes of this Section, be deemed to be the owner of the vehicle, and shall be jointly and severally liable to pay any amount of tax or penalty payable."

(21) In Section 28-AAA, for sub-section (5), the following shall be and shall be deemed to have been substituted, from the first day of April, 1999, namely:-

"(5) Any person objecting to an order affecting him under this section by,-

(i) any officer below the rank of Joint Commissioner may appeal to the Joint Commissioner;

(ii) a Joint Commissioner of Commercial Taxes, may appeal to the Appellate Tribunal."

(22) In Section 30, after sub-section (2), the following shall be *inserted*, namely:-

"(3) No Court shall permit withdrawal of any prosecution proceeding initiated under Section 29 except with the previous sanction of the Commissioner".

(23) In Section 31,-

(i) in clause (a), after the words "not exceeding", the words "two thousand rupees or double the amount of the tax or amount so remaining unpaid or evaded to be paid whichever is greater, for the first offence and if it is not the first offence during the financial year, a sum of money not exceeding" shall be inserted.

(ii) in clause (b), after the words “not exceeding”, the words “five thousand rupees for the first offence and if it is not the first offence during the financial year, a sum of money not exceeding” shall be substituted.

(24) In the Second Schedule,-

(i) in Part ‘A’,-

(a) in serial number 5,

(i) in the entries relating to item (ii), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;

(ii) in the entries relating to item (iii), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;

(iii) in the entries relating to item (iv), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;

(iv) in the entries relating to item (v), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;

(v) in the entries relating to item (vi), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted;

(vi) in the entries relating to item (vii), in column 3, for the words “thirteen per cent”, the words “twelve per cent” shall be substituted.

(b) in the entries relating to serial number 5-A, in column 3, for the words “Five percent”, the words “Four per cent” shall be substituted.

(c) in the entries relating to serial number 6, in column 3, for the words “Two percent”, the words “One per cent” shall be substituted.

(d) in the entries relating to serial number 7, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted.

(ii) in Part ‘B’,

(a) in the entries relating to serial number 4, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted.

(b) in serial number 8,-

*(i)* in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (iii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(c) in serial number 9, in column 3, for the words “Five percent”, the words “Four percent” shall be *substituted.*

(d) in serial number 10, in the entries relating to item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve percent” shall be substituted.

(e) in the entries relating to serial number 12, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be *substituted.*

(iii) in Part 'C',

(a) in serial number 4, in the entries relating to item (ii), in column 3, for the words "Five per cent", the words "Eight per cent" shall be substituted.

(b) in the entries relating to serial number 5,-

(i) in item (ii), in sub-item (a), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;

(ii) in item (ii), in sub-item (b), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;

(iii) in item (ii), in sub-item (c), in column 3, for the words "Thirteen per cent", the words "Twelve percent" shall be substituted;

(iv) in item (ii), in sub-item (d)in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;

(v) in item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve percent" shall be substituted.

(c) in serial number 7,-

(i) in the entries relating to item(i), in column 3, for the words "Fifteen per cent", the words "Twenty per cent" shall be substituted.

(ii) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(d) in serial number 8,-

(i) in the entries relating to item(ii), in column 3, for the words "Two per cent", the words "One per cent" shall be substituted.

(ii) for the entries relating to sub-item(a) of item(iii), the following shall be substituted, namely:-

"(iii)(a) Atta, maida and soji of wheat Four per cent".

(iii) for the entries relating to item(iv), the following shall be *substituted* namely:-

"(iv) Flour, chunni and husks of pulses; One per cent"

rice soji; bran of rice, wheat and poha

(iv) in the entries relating to item(v), in column 3, for the words "Two per cent", the words "One per cent" shall be substituted.

(e) in the entries relating to serial number 8-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(f) in the entries relating to serial number 13, in column 3, for the words "Thirteen percent", the words "Sixteen per cent" shall be substituted.

(g) in the entries relating to serial number 15-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(h) in the entries relating to serial number 17-A, in column 2, for the words "Coconut oil sold under brand name", the words "Coconut oil sold in consumer sachets, bottles or tins of 200 grams or 200 mililitre each or less, including when such consumer containers are sold in bulk in a common container" shall be substituted.

(i) in the entries relating to serial number 19,-

(i) in item (i), in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted;

(ii) in item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve percent” shall be substituted.

(j) in serial number 20,-

(i) in the entries relating to item (i), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to sub-item (a) of item (ii), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;

(iii) in the entries relating to sub-item (b) of item (ii), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;

*(iv)* in the entries relating to item (iii), in column 3, for the words “Five per cent”, the words “Eight per cent” shall be substituted;

*(v)* in the entries relating to item (iv), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted;

(vi) in the entries relating to item (v), in column 3, for the words “Five per cent”, the words “Twelve per cent” shall be substituted.

(k) in serial number 21, in the entries relating to item (i), in column 3, for the words “Sixteen per cent”, the words “Twelve per cent” shall be *substituted*;

(l) in serial number 23,-

(i) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (iv), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(m) in the entries relating to serial number 25, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(n) in the entries relating to serial number 25-A, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(o) in the entries relating to serial number 25-B, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(iv) in Part ‘D’,-

(a) in serial number 1, in Column (3) for the words “Thirteen per cent ”, the words “ Sixteen per cent ” shall be substituted.

(b) in serial number 2, in Column (3) for the words “Thirteen per cent ”, the words “Sixteen per cent ” shall be substituted.

(c) in serial number 3, in Column (3) for the words “Thirteen per cent ”, the words “ Twelve per cent ” shall be substituted

(d) in serial number 6, in Column (3) for the words “Thirteen per cent ”, the words “ Twelve per cent ” shall be substituted.

(v) in Part ‘E’,-

(a) in serial number 1,-

(i) in column 2, for the words “coconut oil sold under brand name”, the words “coconut oil specified in Serial Number 17-A of Part ‘C’ ” shall be substituted.

(ii) in the entries relating to item (i), in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted;

(iii) in the entries relating to item (ii), in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted;

(iv) in the entries relating to item (iii), in column 3, for the words “Five per cent”, the words “Eight per cent” shall be substituted.

(b) serial number 2, -

(i) in the entries relating to item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (iii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(iii) in the entries relating to item (iv), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(c) in the entries relating to serial number 3, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(d) in the entries relating to serial number 4, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(vi) in Part ‘F’,-

(a) in the entries relating to serial number 1, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(b) in serial number 2,-

(i) in the entries relating to item (i), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted;

(ii) in the entries relating to item (ii), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted;

(iii) in the entries relating to item (iii), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(c) in the entries relating to serial number 3, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(d) in serial number 7, in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(e) in serial number 8,-

(i) in item (v), , in the entries relating to in sub-item (a), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to in item (vi), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

*(iii)* in the entries relating to in item (vii), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(f) in the entries relating to serial number 9, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(g) in the entries relating to serial number 10, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(h) in the entries relating to serial number 11, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(i) in the entries relating to serial number 14, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(vii) in Part ‘G’,

(a) in the entries relating to serial number 1, in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(b) in the entries relating to serial number 3, in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(c) in the entries relating to serial number 4, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(d) in the entries relating to serial number 4-A, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(e) in the entries relating to serial number 5, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(f) in the entries relating to serial number 6, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(viii) in Part “H”,-

(a) in serial number 1,-

(i) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (ii), in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted;

(iii) in the entries relating to item (iii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(iv) in the entries relating to in item (iv), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(b) in the entries relating to serial number 1-A, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(c) in the entries relating to serial number 2, in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(d) in the entries relating to serial number 3, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(ix) in Part ‘I’, in the entries relating to serial number 4, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(x) in Part-J,-

(a) in Serial Number 3, in Column 3 for the words “ Thirteen per cent ”, the words “ Twelve per cent ” shall be substituted.

(xi) in Part ‘K’,-

(a) in the entries relating to serial number 1, in column 3, for the words “Sixteen per cent”, the words “Twenty per cent” shall be substituted.

(b) in serial number 1-A,-

(i) in the entries relating to item (i), in column 3, for the words “Eight per cent”, the words “Four per cent” shall be substituted;

(ii) in the entries relating to item (ii), in column 3, for the words “Eight per cent”, the words “Four per cent” shall be substituted;

(iii) in the entries relating to item (iii), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted;

(iv) in the entries relating to item (iv), in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(c) in the entries relating to serial number 2, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(d) in the entries relating to serial number 3, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(xii) in Part ‘L’, in the entries relating to serial number 5, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(xiii) in Part ‘M’,-

(a) in serial number 1,-

(i) in item (i), in the entries relating to sub-item (a), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted;

(ii) in item (i), in the entries relating to sub-item (b), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(iii) in item (iii), in the entries relating to sub-item (a), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(iv) in item (iii), in the entries relating to sub-item (b), in column 3, for the words “Two per cent”, the words “One per cent” shall be substituted;

(v) in item (iii), in the entries relating to sub-item (c), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(vi) in item (iii), in the entries relating to sub-item (d), in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted;

(vii) in item (iii), in the entries relating to sub-item (e), in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(b) in the entries relating to serial number 5, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(c) in the entries relating to serial number 6, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(d) in the entries relating to serial number 10, in column 3, for the words “Twenty five per cent”, the words “Twenty eight per cent” shall be substituted.

(e) in the entries relating to serial number 11, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(f) in serial number 15, in the entries relating to item (ii), in column 3, for the words “Sixteen per cent”, the words “Twelve per cent” shall be substituted.

(xiv) in Part ‘N’, in the entries relating to serial number 2, in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(xv) in Part ‘O’, in serial number 3,

(a) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(b) in the entries relating to item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(c) in the entries relating to item (iii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(xvi) in Part ‘P’,-

(a) in the entries relating to serial number 1-A, in column 3, for the words “Twenty-five per cent”, the words “Twenty-eight per cent” shall be substituted;

(b) in the entries relating to serial number 3, in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(c) in the entries relating to serial number 4, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(d) in the entries relating to serial number 6, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted.

(e) in serial number 7,-

(i) in the entries relating to item (ii) , in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted;

(ii) in the entries relating to item (iii), in column 3, for the words “Sixteen per cent”, the words “Twelve per cent” shall be substituted.

(f) in the entries relating to serial number 8, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(g) in the entries relating to serial number 10, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(h) in the entries relating to serial number 11, in column 3, for the words “Nine per cent”, the words “Eight per cent” shall be substituted.

(i) in serial number 12,-

(i) in the entries relating to item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (iii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(xvii) in Part ‘R’,-

(a) in the entries relating to serial number 2, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted.

(b) in the entries relating to serial number 8, in column 3, for the words “Thirteen percent”, the words “Twelve per cent” shall be substituted.

(c) in serial number 9,-

(i) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(d) in serial number 10,-

(i) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (v), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(xviii) in Part ‘S’,-

(a) in the entries relating to serial number 4, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(b) in the entries relating to serial number 5, in column 3, for the words “Thirteen per cent”, the words “Sixteen per cent” shall be substituted.

(c) in the entries relating to serial number 6, in column 3, for the words “Five per cent ”, the words “Four per cent” shall be substituted.

(d) in serial number 9,-

(i) in the entries relating to item (iii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (iv), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(e) in the entries relating to serial number 10, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(f) in the entries relating to serial number 13, in column 3, for the words “Five per cent”, the words “Four per cent” shall be substituted.

(g) in serial number 15,-

(i) in the entries relating to item (i), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(ii) in the entries relating to item (i-a), in column 2, for the words “black board dusters”, the words “all kinds of display boards including wipeoff board, chalk board, clip board, felt board, plastic and acrylic board other than electrical and electronic operated, dusters, plastic letters and figures, and marker pen” shall be substituted.

(iii) in the entries relating to item (i-a), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(iv) in the entries relating to item (ii), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted;

(v) in the entries relating to item (ii-a), in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(h) in the entries relating to serial number 15-A, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(i) in the entries relating to serial number 18, in column 3, for the words “Thirteen per cent”, the words “Twelve per cent” shall be substituted.

(j) in the entries relating to serial number 21, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.

(k) in the entries relating to serial number 22, in column 3, for the words "Nine percent", the words "Eight per cent" shall be substituted.

(l) in the entries relating to serial number 23, in column 3, for the words "Thirteen percent", the words "Sixteen per cent" shall be substituted.

(xix) in Part 'T',-

(a) in the entries relating to serial number 1, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.

(b) in the entries relating to serial number 1-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(c) in the entries relating to serial number 2, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.

(d) in the entries relating to serial number 3, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(e) in serial number 5,-

(i) in the entries relating to item (i), in column 3, for the words "Sixteen cent", the words "Twelve per cent" shall be substituted;

(ii) in the entries relating to item (ii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(f) in the entries relating to serial number 7-A, in column 3, for the words "Nine per cent", the words " Eight per cent" shall be substituted.

(g) in serial number 8, in the entries relating to item (iii), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted;

(h) in the entries relating to serial number 9-A, in column 3, for the words "Twenty- five per cent", the words "Twenty-eight per cent" shall be substituted.

(i) in the entries relating to serial number 10-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(j) in serial number 10-B,-

(i) in the entries relating to item (i), in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted;

(ii) in the entries relating to item (ii), in column 3, for the words "Sixteen per cent", the words "Twelve per cent" shall be substituted.

(k) in serial number 11,-

(a) in the entries relating to item (i), in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(b) in the entries relating to item (ii), in column 3, for the words "Two per cent", the words "One per cent" shall be substituted.

(xx) in Part 'V',-

(a) in the entries relating to serial number 1, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.

(b) in the entries relating to serial number 2, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.

(xxi) in Part 'W',

(a) in the entries relating to serial number 4, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(b) in the entries relating to serial number 4-A, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(c) in the entries relating to serial number 5, in column 3, for the words "Thirteen percent", the words "Twelve per cent" shall be substituted.

(d) in the entries relating to serial number 7, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(e) in the entries relating to serial number 8, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(xxii) in Part 'X', in the entries relating to serial number 1, in column 3, for the words "Thirteen per cent", the words "Twelve per cent" shall be substituted.

(xxiii) in Part 'Y', in the entries relating to serial number 1, in column 3, for the words "Nine per cent", the words "Eight per cent" shall be substituted.

(xxiv) in Part 'Z', in the entries relating to serial number 1, in column 3, for the words "Five per cent", the words "Four per cent" shall be substituted.

(xxv) for Explanation III, the following shall be substituted, namely:-

"**Explanation III.-** Where a tax has been levied in respect of purchase of coffee seeds under Serial Number 18 of Part 'C' or under Serial Number 3 of the Third Schedule, the tax leviable on the coffee powder (excluding instant coffee and french coffee) made out of those coffee seeds shall be reduced by the amount of tax levied on such coffee seeds."

(25) in the Fifth Schedule,-

(i) after the entries relating to Serial Number 58, the following shall be and shall be deemed to have inserted from the First day of April, 1992, and shall be and shall be deemed to have been *omitted* from the First day of April, 1999, namely:-

"59. H.D.P.E, L.D.P.E., P.P. and Viscose Rayon woven and non-woven fabrics subject to the condition that no tax under this Act on the sale of the said goods is charged for and collected separately in the sale bills.";

(ii) after the entry Serial Number 59 so inserted and omitted, the following shall be and shall be deemed to have been inserte*d* from the Sixth day of November, 1999 and shall be and shall be deemed to have been omitted from the Seventh day of November, 1999, namely:-

"60. Instant noodles sold in aid of the people affected by the cyclone in Orissa subject to the condition that no tax under this Act on the sale of the said goods is charged for and collected separately in the sale bills."

(26) in the Sixth Schedule, in column 3,-

(i) excluding the entries relating to serial number 22, for the words "Five per cent", wherever they occur, the words "Four per cent" shall be substituted.

(ii) for the words "Thirteen per cent", wherever they occur, the words "Twelve per cent"shall be substituted.

(iii) in the entries relating to serial number 22, for the words "Five per cent", the words "Twelve per cent" shall be substituted.

(27) in Seventh Schedule, in column 3, for the words "Five per cent", wherever they occur, the words "Eight per cent" shall be substituted

**4. Amendment of Karnataka Act No.30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in Section 2, in clause (e), in sub-clause (i), after the words "horse race", the words "or live telecast of a horse race" shall be inserted.

(2) in Section 3,-

(i) for sub-section (1), the following shall be substituted, namely:-

"(1) There shall be levied and paid to the State Government entertainments tax on each payment for admission excluding the amount of tax, to an entertainment, -

(a) specified in sub-clause (i) of clause (e) of Section 2 at 70 per cent of such payment; and

(b) specified in sub-clause (ii) of clause (e) of Section 2 at 40 per cent of such payment."

(ii) in sub-section (1-A), for the table, the following shall be substituted, namely:-

"**TABLE**

| Sl. No. | Payment for admission (excluding the Amount of tax) | Rate of tax |
|---|---|---|
| (1) | (2) | (3) |
| 1. | Fifty rupees or more in respect of an entertainment in respect of an entertainment which is an exhibition, performance or pageant or game or sport held within the limits of Bangalore Urban Agglomeration area or a City Municipal Corporation. | 10 per cent of such payment |
| 2. | Two hundred and fifty rupees or more in respect of an entertainment in respect of an entertainment which is an exhibition, performance or pageant or game or sport held outside the limits of Bangalore Urban Agglomeration area or a City Municipal Corporation." | 10 per cent of such payment |

(3) in Section 4, in sub-section (1),-

(iii) in the table,-

(a) in the entries relating serial number (a), in column (3), for the words "One hundred rupees", the words "Eighty five rupees" shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;

(b) in the entries relating to serial number (b), in column (3), for the words "One hundred and twenty five rupees", the words "One hundred and ten rupees" shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;

(c) in the entries relating to serial number (c), in column (3) for the words "One hundred and fifty rupees", the words "One hundred and thirty five rupees" shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;

(d) in the entries relating to serial number (d), for the words "Two hundred and fifty rupees", the words "Two hundred and thirty five rupees" shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003.

(iv) in the first proviso,-

(a) in the entries relating relating to serial number (a), in column (3), for the words "Fifty rupees", the words "Thirty five rupees" shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003;

(b) in the entries relating to serial number (b), in column (3), for the words "Seventy rupees", the words "Sixty rupees" shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003;

(c) in the entries relating to serial number (c), in column (3), for the words "Ninety rupees", the words "Seventy five rupees" shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003;

(d) in the entries relating to serial number (d), in column(3), for the words "One hundred and ten rupees", the words "Ninety five rupees" shall be and shall be deemed to have been substituted from Nineteenth day of June, 2003.

(4) in Section 4-D, in the table,-

(i) in the entries relating to serial number 1, in column (3), for the words "Rupees seven thousand per month", the words "Rupees six thousand five hundred per month" shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003;

(ii) in the entries relating to serial number 2, in column (3), for the words "Rupees four thousand per month", the words "Rupees three thousand per month" shall be and shall be deemed to have been substituted from the Nineteenth day of June, 2003.

(5) in Section 4-E, in the proviso for the words "does not exceed two hundred and fifty rupees", the words "is less than, fifty rupees in respect of any amusement in the limits of Bangalore Urban Agglomeration or a City Municipal Corporation and two hundred and fifty rupees in respect of any amusement in other areas" shall be substituted.

(6) in Section 4-F, in the proviso for the words "does not exceed two hundred and fifty rupees", the words "is less than, fifty rupees in respect of any amusement in the limits of Bangalore Urban Agglomeration or a City Municipal Corporation and two hundred and fifty rupees in respect of any amusement in other areas" shall be substituted.

(7) after Section 6-C, the following section shall be inserted, namely:-

**"6-D. Issuance of Clearance Certificates to proprietors.-** Where for the purpose of complying with the requirement of any law for the production of a clearance certificate with respect to payment of tax or any other amount under this Act, a proprietor makes an application to the prescribed authority of the area, the prescribed authority shall, if no amount of assessed tax or any other amount under this Act is due by or any tax payable in accordance with the provisions of sub-section (1-A) of Section 6-A is outstanding from such proprietor, issue a clearance certificate in the prescribed form."

**5. Amendment of Act No.35 of 1976.-** In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No.35 of 1976),-

(1) after Section 7, the following Section shall be inserted, namely:-

"**7-A. Self-assessment in the case of certain employers.-** (1) Notwithstanding anything contained in sub-section (2) of Section 7, the assessing authority in respect of any year commencing from the First day of April, 2003, shall assess an employer in whose case the total amount of tax deducted is less than twenty five thousand rupees on the basis of the return submitted in accordance with sub-section (1) of Section 6 within the time specified therein, without requiring his presence or production of books of accounts.

(2) Where before completion of self-assessment, return submitted under sub-section (1) is found to involve mistake apparent on record, the assessing authority shall afford opportunity to the employer to submit revised return or to rectify such mistake.

(3) Self-assessment under sub-section (1) shall not be made in respect of an employer for any year if.-

(i) the return filed for any year is incomplete or incorrect or defective, save for mistakes apparent on record;

(ii) it is found that the employer has attempted to evade any tax, for that year.

(4) Notwithstanding anything contained in sub-section (1), the Commissioner shall, within a period of seventy-five days from the close of the year to which the assessment relates, notify selection of cases for the purpose of scrutiny in entirety of the assessment records and in respect of such cases so found warranted, shall direct the assessing authority concerned to make assessment under sub-section (3) of Section 12.

(5) The assessing authority shall, within a period of sixty days from the date of notification of cases for the purpose of scrutiny assessment under sub-section (4), serve upon the employer, notice as prescribed demanding payment of tax or issue order of refund as prescribed, on the basis of self-assessment or communicate initiation of proceedings of scrutiny assessment under sub-section (4).

(6) If on scrutiny assessment in cases falling under sub-section (4), it is found that the amount of tax paid by any employer for any year was less than the tax payable for that year as assessed by more than fifteen per cent, the assessing authority shall direct such dealer to pay, in addition to the tax, a penalty equivalent to three times the amount of the tax so paid in short.

(7) Every assessment completed under sub-section (1) shall be subject to the provisions of Sections 8, 9 and 18."

(2) in Section 14,

(i) in sub-section (1), in clause (iii), for the words "Officers and", the words and punctuation mark "Officers, Deputy Commissioners of Professions Tax and" shall be substituted.

(ii) in sub-section (2), in clause (iii), for the words "Officers and the Assistant", the words "Officers, the Assistant Commissioners of Professions Tax and Deputy" shall be substituted.

**6. Amendment of Act No.22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act No.22 of 1979),-

(1) in Section 2,-

(i) after clause (1-B), the following shall be inserted, namely:-

"(1-C) **"Charges for hospital**" means charges for accommodation provided in a hospital for any patient or inmate or resident, by whatever name called and his attendant including charges for air-conditioning, telephone, telephone calls, television, radio, music, extra beds and the like but does not include any charges for food, drink, laundry or other amenities, medicines, medical including consultation, testing, diagnostic and nursing services, therapeutic services or other similar services;

(ii) after clause (2), the following shall be inserted, namely:-

"(3) **"Hospital"** includes a nursing home, therapy centre, rejuvenation or recuperation centre, nature care or cure centre, ayurvedic cure or care or any treatment centre, personal care centre and beauty treatment centre, by whatever name called;

(iii) for clause (6), the following shall be substituted, namely:-

"(6) **"Proprietor, in relation to a Hotel or a Marriage Hall or a Club or a Hospital"** means any person who is owning or holding a hotel or a marriage hall or hospital in any capacity recognized by law or the Secretary or Manager or any other person entrusted with the management of a club or hospital, and includes, the person who for the time being is in-charge of the management of the hotel or marriage hall or club or hospital;"

(2) in section 3, in sub-section (1), for clauses (a) and (b) excluding the provisos, the following shall be substituted, namely:-

| | |
|---|---|
| **"** (a) Where the charges for lodging per room per day are more than one hundred and fifty rupees but less than four hundred rupees | Four per cent of such charges |
| (b) Where the charges for lodging per room per day are not less than four hundred rupees but less than one thousand rupees | Eight per cent of such charges |
| (c) Where the charges for lodging per room per day are not less than one thousand rupees | Twelve per cent of such charges **"** |

(3) after Section 3-D, the following shall be inserted, namely:-

"**3-E. Levy and collection of tax on luxury provided in a hospital.-** (1) Where charges for luxury provided in a hospital are more than one thousand rupees per day, there shall be levied and collected a tax at the rate of eight per cent of such charges.

(2) The tax levied under sub-section (1) shall be paid by every proprietor within such period and in such manner as may be prescribed."

(4) in Section 4, sub-section (3) shall be and shall be deemed to have been omitted from the Seventeenth day of June, 2003 and shall be inserted from the First day of August, 2004.

**7. Amendment of Karnataka Act No.27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979).-

(1) in Section 4-B, in sub-section (1), after the word "fixed", the words " retrospectively or prospectively," shall be and shall be deemed to have been always inserted.

(2) in Section 4-BB, in sub-section (3), after the words "General Sales Tax", the words "or Central Sales Tax" shall be and shall be deemed to have been always inserted.

(3) in Section 5-B, after sub-section 4, the following shall be inserted, namely:- "(5)Notwithstanding anything contained in this Section or Section 5, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of dealers for any year shall be deemed to have been made on the basis of the return submitted in accordance with sub-section (1) of Section 5 without requiring the presence of the dealer or production of books of account by the dealer."

(4) in Section 8-A, in sub-section (2), for the words "twelve per cent", the words "six per cent" shall be substituted.

(5) in Section 12-C, in sub-section (2), after the word "including", the words "provisions relating to appeal and" shall be inserted.

(6) in Section 13,-

(i) in sub-section (3), for the provisos, the following shall be substituted, namely:-

"Provided that the appellate authority may, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax along with the prescribed form of appeal.

Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings for recovery of such tax or other amount subject to payment of one half of the tax disputed and furnishing of sufficient security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days.

Provided also that where an order staying proceedings of recovery of any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of ninety days from the date of such order.

Provided also that if such appeal is not so disposed of within the period specified in the third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount."

(ii) in sub-section (5),-

(a) in clause (a), sub-clause (ii) shall be omitted;

(b) the following provisos shall be inserted, namely.-

"Provided that the Appellate Authority shall not set aside any order of assessment or any other order and direct the assessing authority or other authority to make a fresh assessment or to make a fresh order:

Provided further that the Appellate Authority shall pass an order disposing of an appeal, within a period of thirty days from the date on which the hearing of the case was concluded and where it is not practicable so to do on the

ground of the exceptional and extraordinary circumstances of the case, the Appellate Authority shall fix a future date for passing the order, and such day shall not be a day beyond sixty days from the date on which the hearing of the case was concluded, and due notice of the day so fixed shall be given to the appellant."

(7) in Section 14,-

(i) in sub-section (3), after the words "accompanied by", the words "proof of payment of one half of tax or other amount disputed and also" shall be inserted;

(ii) for sub-section (4), the following shall be substituted, namely:-

"(4) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law for the time being in force, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of one half of tax or other amount disputed, if the appellant makes payment of the other half of the tax or other amount disputed along with the prescribed form of appeal:

Provided further that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of one half of tax or other amount and, it such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.";

(iii) sub-section (6) including the proviso shall be omitted.

(8) in Section 22, in sub-section (1), for the word "Commissioner", the words "Joint Commissioner" shall be substituted.

**8. Validation of assessments etc.,.-** (1) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Second Amendment) Act, 2004 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clause (17) of Section 3 of the Amendment Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

(2) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka

Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Second Amendment) Act, 2004 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clause (1) of Section 7 of the Amendment Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

By Order and in the name of the Governor of Karnataka,

**G.DAKSHINA MOORTHY**
Secretary to Government,
Department of Parliamentary Affairs and Legislation.

**Karnataka Act No. 11 of 2005**

# THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2005

**Arrangement Sections**

**Sections:**


1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of Karnataka Act 25 of 1957
4. Amendment of Karnataka Act No.30 of 1958
5. Amendment of Act No.35 of 1976
6. Amendment of Karnataka Act No.27 of 1979
7. Amendment of Karnataka Act No.4 of 2004
8. Amendment of Karnataka Act No.29 of 2004
9. Amendment of Karnataka Act No.32 of 2004
10. Validation of assessments etc.,


## STATEMENT OF OBJECTS AND REASONS

To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979), the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 3 of 2004), the Karnataka Special Tax on Entry of Certain Goods Act, 2004 (Karnataka Act 29 of 2004) and the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004).

Opportunity is also taken to rationalize certain provisions of the said Acts.

Hence the Bill.

(LA Bill No.12 of 2005)

[Entry 52, 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India]

**Karnataka Act No. 11 of 2005**

(First published in the Karnataka Gazette Extra-ordinary on the thirty first day of March, 2005)

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2005**

(Received the assent of the Governor on the thirty first day of March, 2005)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-sixth year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2005.

(2) It shall come into force with effect from the first day of April, 2005.

**2. Amendment of Mysore Act IX of 1932.-** In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), in section 3-A, before the explanation, the following proviso shall be and shall be deemed to have been inserted from the first day of April, 2004, namely,-

"Provided that the licensees shall be liable to pay the composition amounts notified for the period commencing from the first day of April, 2004 only till the commencement of the Karnataka Taxation Laws (Second Amendment) Act, 2004 (Karnataka Act No.26 of 2004)."

**3. Amendment of Karnataka Act 25 of 1957.-** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(1) in Section 12-B, in sub-section (2), for the words "two per cent", the words "one and a quarter per cent" shall be substituted.

(2) in Section 13, in sub-section (2), in clause (ii), for the words "two per cent", the words "one and a quarter per cent" shall be substituted.

(3) in Section 18-AA, in sub-section (2),

(i) in clause (ii), for the words "two and one half per cent", the words "one and a quarter per cent" shall be substituted.

(ii) the following explanation shall be and shall deemed always to have been inserted, namely,-

"**Explanation.-** For the purpose of this sub-section, non-payment during any period during which recovery of any amount due under this Section is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a 'default', unless such appeal or other proceeding is allowed by such Authority."

(4) in Section 23, in sub-section (1),

(i) for the words "one hundred and twenty days", the words "one hundred and eighty days" shall be substituted;

(ii) in the proviso, for the words “one hundred and twenty days”, the words “one hundred and eighty days” shall be substituted.

(5) in the Fifth Schedule, after the entries relating to serial number 52, the following shall be and shall be deemed to have been inserted from the first day of August, 2004, namely,-

“53. Transfer of the right to use feature films.”

**4. Amendment of Karnataka Act No.30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in Section 3, in sub-section (1-A), the following proviso shall be inserted, namely,-

“Provided that no tax shall be levied in the case of admission to a circus.”

(2) in Section 4, in sub-section (1),-

(i) in the table,-

(a) in the entries relating serial number (a), in column (3), for the words “Eighty five rupees”, the words “Forty three rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “One hundred and ten rupees”, the words “Fifty five rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3) for the words “One hundred and thirty five rupees”, the words “Sixty eight rupees” shall be substituted;

(d) in the entries relating to serial number (d), for the words “Two hundred and thirty five rupees”, the words “One hundred and eighteen rupees” shall be substituted.

(ii) in the first proviso,-

(a) in the entries relating to serial number (a), in column (3), for the words “Thirty five rupees”, the words “Eighteen rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “Sixty rupees”, the words “Thirty rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3), for the words “Seventy five rupees”, the words “Thirty eight rupees” shall be substituted;

(d) in the entries relating to serial number (d), in column(3), for the words “Ninety five rupees”, the words “Forty eight rupees” shall be substituted.

(iii) in the second proviso,-

(a) in the entries relating to serial number (a), in column (3), for the words “Eighty rupees”, the words “Forty rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “Ninety rupees”, the words “Forty five rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3), for the words “One hundred rupees”, the words “Fifty rupees” shall be substituted.

(iv) in the third proviso,-

(a) in the entries relating to serial number (a), in column (3), for the words “Twenty five rupees”, the words “Thirteen rupees” shall be substituted;

(b) in the entries relating to serial number (b), in column (3), for the words “Fifty rupees”, the words “Twenty five rupees” shall be substituted;

(c) in the entries relating to serial number (c), in column (3), for the words “Seventy five rupees”, the words “Thirty eight rupees” shall be substituted.

(3) in Section 4-A, in sub-section (1), in the table,-

(i) in the entries relating to serial number (a), in column (3), for the words “Ten per cent”, the words “Five per cent” shall be substituted;

(ii) in the entries relating to serial number (b), in column (3), for the words “Seventeen and half per cent”, the words “Ten per cent” shall be substituted;

(iii) in the entries relating to serial number (c), in column (3), for the words “Twenty five per cent”, the words “Fifteen per cent” shall be substituted.

(4) in Section 6-A, for sub-section (4), the following shall be substituted, namely,-

“(4) In making an assessment under sub-section (3), if the prescribed authority is satisfied that the correct amount of tax payable under sub-section (1-A) was not paid by the proprietor either due to willful mis-statement or suppression of facts, it may direct the proprietor to pay, in addition to the tax assessed, a penalty,-

(i) equal to the amount of difference between the tax assessed and the tax paid under sub-section (1-A), where such assessment is made for the first time in any financial year; and

(ii) equal to double the amount of difference between the tax assessed and the tax paid under sub-section (1-A), while making any subsequent assessment during such financial year.”

(5) in Section 9, in sub-section (2), for clause (ii), the following shall be substituted, namely,-

“(ii) the proprietor liable to pay such tax under this Act shall be liable to pay an interest equal to one and a quarter per cent of the amount of tax remaining unpaid for each month after the expiry of the time prescribed under sub-section (1).”

**5. Amendment of Act No.35 of 1976.-** In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No.35 of 1976),-

(1) in Section 10, in sub-section (1), the following proviso shall be inserted, namely,-

“Provided that a person liable to be enrolled shall be deemed to have enrolled for the purpose of payment of tax under this Act, notwithstanding that he has failed to do so.”

(2) in Section 11,

(i) in sub-section (2), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted

(ii) in sub-section (3), after the words “enrolled person”, the words “or a person liable to be enrolled” shall be inserted;

(3) in the Schedule, for the entries relating to serial number (2), the following shall be substituted, namely,-

“(2) Legal practitioners including Solicitors and Notaries Public:-

(a) in the Bangalore Urban Agglomeration where standing in the profession is-

| | |
|---|---|
| (i) less than 10 years | Nil |
| (ii) 10 years or more but less than 20 years | Rs.1500 per annum |
| (iii) 20 years or more | Rs.2500 per annum |

(b) in any other area in the State is-

| | |
|---|---|
| (i) less than 10 years | Nil |
| (ii) 10 years or more but less than 20 years | Rs.1000 per annum |
| (iii) 20 years or more | Rs.1500 per annum” |

**6. Amendment of Karnataka Act No.27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in Section 2, in sub-section (A), in clause (2), after the words and figures “Karnataka Sales Tax Act, 1957”, the words “or this Act by the Government or the Commissioner" shall be inserted.

(2) in Section 3-BB, in sub-section (2),

(i) in clause (ii), for the words “two and one half per cent”, the words “one and a quarter per cent” shall be substituted;

(ii) after clause (iii), the following explanation shall be and shall be always deemed to have been inserted, namely,-

“**Explanation.-** For the purpose of this sub-section, non-payment during any period during which recovery of any amount due under this Section is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a ‘default’, unless the appeal or other proceeding is allowed by such Authority.”

(3) in Section 4,

(i) in sub-section (1), in clause (a), after the brackets, words and figures “(Karnataka Act 25 of 1957)”, the words, figures and brackets “ or Section 22 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be inserted.

(ii) in sub-section (3), after the brackets, words and figures “(Karnataka Act 25 of 1957)”, the words, figures and brackets “or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be inserted.

(4) after Section 4-A, the following shall be and shall deemed to have been inserted from the First day of April, 1995, namely,-

"**4-B Levy of tax.-** (1) Notwithstanding anything contained in Section 3, there shall be levied and collected a tax on the purchase value of a motor vehicle an entry of which is effected into a local area for use or sale therein and which is liable for registration or assignment of a new registration mark in the State under the Motor Vehicles Act, 1988, at such rate as may be fixed retrospectively or prospectively by the State Government by notification but not exceeding the rates specified in respect of motor vehicles under the Karnataka Sales Tax Act, 1957:

Provided that, no tax shall be levied and collected in respect of a motor vehicle which is registered in any Union Territory or any other State under the Motor Vehicles Act, 1988 fifteen months prior to the date on which a new registration mark is assigned in the State under the said Act.

(2) The tax levied under the section shall be paid by the importer in such manner and within such time as may be prescribed.

**4-BB. Reduction of tax liability.-** (1) Where a person liable to pay tax under this Act becomes liable to pay tax under the Karnataka Sales Tax Act, 1957 on the sale or purchase of such motor vehicles, then his liability under the Karnataka Sales Tax Act, 1957 shall be reduced to the extent of the tax paid under this Act on such motor vehicle.

(2) Where the liability to pay tax under this Act is in respect of motor vehicle subjected to tax under the Karnataka Sales Tax Act, 1957, then, the tax payable under this Act shall be reduced by an amount of tax already paid under the Karnataka Sales Tax Act, 1957 on such motor vehicle subject to production of proof.

(3) The amount of tax leviable under this Act shall, subject to such conditions as may be prescribed, be reduced to the extent of the amount of tax paid, if any, under the law relating to General Sales Tax or Central Sales Tax as may be in force in any other State or Union Territory by an importer who not being a dealer in motor vehicles had purchased the motor vehicle for his own use in that State."

(5) in Section 4-B as so inserted, in sub-section (1), after the words and figures "Karnataka Sales Tax Act, 1957", the words and figures "or the Karnataka Value Added Tax Act, 2003", shall be inserted.

(6) in Section 4-BB as so inserted, in sub-section (1), after the words and figures "Karnataka Sales Tax Act, 1957", in the two places where it occurs, the words, figures and brackets "or the Karnataka Value Added Tax Act, 2003" shall be inserted.

(7) in Section 7, in sub-section(1), in the proviso, after the words ,figures and brackets, "Karnataka Sales Tax Act 1957 (Karnataka Act 25 of 1957) ", the words, figures and brackets "or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)" shall be inserted.

(8) in Section 8, in sub-section (2),

(i) in clause (ii), for the words "two per cent", the words "one and a quarter per cent" shall be substituted;

(ii) the explanation shall be renumbered as "**Explanation I**";

(iii) after explanation I, as so renumbered, the following shall be and shall deemed always to have been inserted, namely,-

"**Explanation II.-** For the purpose of this sub-section, non-payment during any period during which recovery of any amount due under the Act is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a 'default, unless such appeal or other proceeding is allowed by such Authority"

(9)in Section 12, after sub-section (1), the following shall be inserted, namely,-

"(2) Notwithstanding anything contained in sub-section (1), the State Government or the Commissioner may, by notification, authorise officers to exercise powers and discharge duties and perform functions under this Act in respect of such area and such dealer or classes of dealers, or such cases or classes of cases as may be specified in the notification."

(10) in section 15-A, in sub-section (1),

(i) for the words "sixty days", the words " one hundred and twenty days" shall be substituted;

(ii) in the proviso, for the words " sixty days", the words " one hundred and twenty days" shall be substituted.

(11) in Section 18-A,

(i) in sub-section (1), after brackets and words "(hereinafter referred to as the "Sales Tax Act" )", the words, figures and brackets "or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) (hereinafter referred to as the "Value Added Tax Act" )" shall be inserted.

(ii) in sub-section (2), after the words "Sales Tax Act", the words and figures "or sub-section (2) of Section 53 of the Value Added Tax Act " shall be inserted.

(iii) in sub-section (2-A), after the words and figures "Karnataka Sales Tax Act, 1957", the words and figures "or sub-section (2) of Section 53 of the Value Added Tax Act " shall be inserted.

(iv) in sub-section (3),

(a) after the words "Sales Tax Act", the words and figures "or sub-section (12) of Section 53 of the Value Added Tax Act " shall be inserted;

(b) in clause (a), after the words "Sales Tax Act", the words and figures " or clause (d) of sub-section (2) of Section 53 of the Value Added Tax Act" shall be inserted.

(v) in sub-section (4), after the words "Sales Tax Act", the words "or Section 53 of the Value Added Tax Act " shall be inserted.

**7. Amendment of Karnataka Act No.4 of 2004.-** In the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 4 of 2004), in Section 2, in clause (5), after the words "appointed for selling lottery tickets in the State on its behalf by such Government or Country where such Government or Country is not directly selling lottery tickets in the State", the words "selling, in the State, lottery tickets of such Government or Country where such Government or Country is not directly selling lottery tickets in the State, whether appointed in this behalf or not" shall be and shall be deemed to have been always inserted.

**8. Amendment of Karnataka Act No.29 of 2004.-** In the Karnataka Special Tax on Entry of Certain Goods Act, 2004 (Karnataka Act 29 of 2004),-

(1) in Section 2,

(i) in sub-section (1),

(a) in clause (b), in sub-clause (i), after the words “Karnataka Sales Tax Act”, the words “or any officer empowered to make an assessment under this Act by the Government or the Commissioner" shall be inserted;

(b) in clause (b), for sub-clause (ii), the following shall be substituted, namely,-

“(ii) in the case of an importer, other than a dealer, the officer-in-charge of the check post, established under the Karnataka Sales Tax Act or the Karnataka Value Added Tax Act through which the notified goods are brought into the State or the Officer who intercepts the goods vehicles while transporting the notified goods if it is intercepted in places other than check post, or the Assistant Commissioner of Commercial Tax appointed under the Karnataka Sales Tax Act having jurisdiction over the area or the officer authorised under this Act to perform his function in respect of the area, in which such importer ordinarily resides;”

(c) after clause (h), the following shall be inserted, namely,-

“(h-1) **“Karnataka Value Added Tax Act”** means the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004);”

(d) in clause (k), after the words “Union Territory”, the words “ but does not include the Central Government or the Government of Karnataka” shall be inserted.

(ii) in sub-section (2), after the brackets, words and figures “(Karnataka Act 25 of 1957)”, the words, figures and brackets “or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be inserted.

(2) in Section 3, in sub-section (1), after the words “Karnataka Sales Tax Act”, wherever they occur, the words “or the Karnataka Value Added Tax Act” shall be inserted.

(3) in Section 4, in sub-section (1), after the words “ Karnataka Sales Tax Act” in the three places they occur, the words “or the Karnataka Value Added Tax Act” shall be inserted.

(4) in Section 6, after sub-section (2), the following shall be inserted, namely,-

“(3) Notwithstanding anything contained in sub-section (1), the State Government or the Commissioner may, by notification, authorise officers to exercise powers and discharge duties and perform functions under this Act, in respect of such area and such dealer or classes of dealers, or such cases or classes of cases as may be specified in the notification.”

**9. Amendment of Karnataka Act No.32 of 2004.-** In the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004),-

(1) Section 5, shall be renumbered as sub-section (1) thereof and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely,-

“(2) Notwithstanding anything contained in this Act, the Government may, in such circumstances and subject to such conditions as may be specified, by notification, and subject to such rules as may be prescribed, exempt the whole or any part of the tax payable for any period on sales of goods made to or made by a new industrial unit, in respect of which the Government has already notified exemption of tax under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), and such exemption on purchases or sales shall be by way of refund of tax collected on purchases or sales made by such industrial unit.”

(2) in Section 15, in sub-section (1), for the words “per annum as may be prescribed”, the words “per annum as may be notified by the Government” shall be substituted.

(3) in Section 22, in sub-section (3), the words and punctuation mark “and every dealer executing a works contract whose receipts or amounts receivable by way of consideration towards work executed exceed fifteen thousand rupees in any one month after the date from which the tax shall be levied,” shall be omitted.

(4) in Section 37, in sub-section (1), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted.

(5) in Section 47,

(i) in sub-section (2), in clause (b), for the words “two per cent”, the words “one and a quarter per cent” shall be substituted;

(ii) after sub-section (4), the following shall be inserted, namely,-

“(5) For the purpose of sub-section (2), non-payment during any period during which recovery of any amount due under this Section is stayed by an order of any authority or Court in any appeal or other proceedings disputing such amount, shall be deemed to be a ‘default’, unless the appeal or other proceeding is allowed by such Authority.”

(6) in Section 65,

(i) in sub-section (1), for the words “one hundred and twenty days”, the words “one hundred and eighty days”, shall be substituted;

(ii) in sub-section (2), for the words “one hundred and twenty days”, the words “one hundred and eighty days”, shall be substituted.

(7) in Section 66, in sub-section (1), after the words and figures “Section 64”, the words and figure “or a dealer aggrieved by the order of the Authority under Section 60” shall be inserted.

(8) in the First Schedule, after the entries relating to serial number 48, the following shall be inserted, namely,-

“49. Avalakki (Beaten Rice) and Mandakki (Parched or puffed rice).

50. Bread and bun.

51. Pappads.

52. Seeds.”

(9) in the Third Schedule,

(i) in entries relating to serial number 13, in column (2), for the words “Bread and bun”, the word “Tea” shall be substituted;

(ii) in the entries relating to serial number 16, after the words “fertilizer mixtures”, the words “including gypsum” shall be inserted;

(iii) in the entries relating to serial number 39, in column (2), for the words “Leaf plates and cups other than those falling under First Schedule”, the words “Lime, lime stone, products of lime, dolomite and other white washing materials” shall be substituted;

(iv) in the entries relating to serial number 41, in column (2), for the words “Mandakki (Parched or puffed rice) and Avalakki (Beaten Rice)”, the words “Medicinal and pharmaceutical preparations” shall be substituted;

(v) in the entries relating to serial number 56, in column (2), for the words “Seeds”, the words “Mixed PVC stabilizer” shall be substituted;

(vi) for the entries relating to serial number 78, the words and figures,

“pulses other than those specified in serial No. 20” shall be substituted .

(vii) the entries relating to Serial Numbers 79 , 80 and 81 shall be omitted.

**10. Validation of assessments etc.,.-** (1) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2005 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by clause (4) of Section 6 of the Amendment Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

(2) Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 4 of 2004) (hereinafter referred to as the said Act) before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2005 (hereinafter referred to as the Amendment Act) shall be and shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by Section 7 of the Amendment Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

By order and in the name of the Governor of Karnataka

**G. Dakshina Moorthy**
Secretary to Government,
Department of Parliamentary Affairs and Legislation.

# Karnataka Act No. 5 of 2006

## THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2006

### Arrangement Sections

**Sections:**


1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of Karnataka Act 22 of 1957
4. Amendment of Karnataka Act 25 of 1957
5. Amendment of Karnataka Act 30 of 1958
6. Amendment of Act 35 of 1976
7. Amendment of Karnataka Act 22 of 1979
8. Amendment of Karnataka Act 27 of 1979


### STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Agriculture Income Tax Act, 1957, the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposal made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[ L.A. Bill No. 6 of 2006 ]

# Karnataka Act No. 5 of 2006

(First published in the Karnataka Gazette Extra-ordinary on the Thirty First day of March, 2006)

## THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2006

(Received the assent of the Governor on the Thirty First day of March, 2006)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-seventh year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2006.

(2) It shall come into force with effect from the first day of April, 2006.

**2. Amendment of Mysore Act IX of 1932.-** In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), for section 3-A, the following shall be substituted, namely,-

"**3-A.Payment of totalisator tax by way of composition.-** Notwithstanding anything contained in section 3, but subject to such conditions as may be prescribed, the State Government may, if a licencee so elects, accept in lieu of the totalisator tax payable under section 3 during any year, by way of composition, in respect of a licencee in Bangalore City at the rate of four percent of the total amount of moneys paid into the totalisator and in respect of a licencee in Mysore City at the rate of two percent of the total amount of moneys paid into the totalisator."

**3. Amendment of Karnataka Act 22 of 1957.-** In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957),-

(1) in section 34, in sub-section (1), after the words "State Government", the words "or the Commissioner" shall be inserted;

(2) in section 42, the explanation to sub-section (1), shall be renumbered as Explanation-I and after the Explanation-I as so renumbered, the following explanations shall be and shall be deemed always to have been inserted, namely:-

"**Explanation II .-** For the purpose of this sub-section non-payment of tax or other amount during any period during which recovery of any tax or other amount due under the Act is stayed by an order of any authority or Court in any appeal or other proceedings disputing such tax or amount, shall be deemed to be a default.";

(3) in section 66, for the words and brackets " any person (other than a company)does not exceed one hundred and fifty acres such person", the words and comma "a firm does not exceed one hundred and fifty acres, such firm" shall be substituted;

(4) in the Schedule,-

(i) Part I shall be omitted.

(ii) in Part II, for the words “forty per cent”, the words “thirty per cent” shall be substituted.

(iii) for Part III, the following shall be substituted, namely:-

“**PART III**

**In the case of Company**

On whole of the total agricultural income thirty five per cent”.

**4. Amendment of Karnataka Act 25 of 1957.-** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(1) in section 5-A,-

(i) after Explanation II, the following explanation shall be deemed to have been inserted with effect from the first day of April, 1983, and shall be deemed to have been omitted with effect from the first day of April, 2001, namely:-

“**Explanation III.-** For the purpose of this section, the expression “manufacture” shall include the process of obtaining student note books and exercise books from paper.”;

(ii) after Explanation I, the following explanation shall be deemed to have been inserted with effect from the first day of April, 2001 and shall be deemed to have been omitted with effect from the first day of April, 2002, namely:-

“**Explanation II.-** For the purpose of this section, the expression “manufacture” shall include the process of obtaining student note books and exercise books from paper.” ;

(iii) in the explanation, after clause (4), the following clause shall be deemed to have been inserted with effect from the first day of April, 2002, and shall be deemed to have been omitted with effect from the sixteenth day of November, 2004, namely:-

“(5) For the purpose of this section, the expression “manufacture” shall include the process of obtaining student note books and exercise books from paper.”;

(2) in section 12, after sub-section (1), the following proviso shall be and shall be deemed to have been inserted with effect from the first day of April, 2005, namely:-

“Provided that nothing contained in this sub-section shall apply to a dealer who is registered under the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)

and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane.";

(3) in section 12-B, in sub-section (1), after the third proviso, the following shall be and shall be deemed to have been inserted with effect from the first day of April, 2005, namely:-

"Provided also that nothing contained in this sub-section shall apply to a dealer who is registered under the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane.";

(4) in section 22, for the words "empowered by the State Government " wherever they occur, the words "empowered by the State Government or the Commissioner" shall be substituted.

**5. Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 2,-

(i) for clause (ba), the following shall be substituted, namely:-

"(ba) **"Amusement"** means any amusement and includes playing a game or skill on a machine or riding on a machine or any other carriage or contraption or boat or other vessel or playing in an enclosure or water body or any other specially designed or developed or demarcated surface or area or participating in any contest or game of chance or skill or talent, held or organized or provided in any amusement arcade or amusement park or any other place for which persons are required to make payment for admission or participation; **";**

(ii) in clause (bb), after the words "called headend", the words "or a tuner or a similar device which enables Direct To Home transmission of television signals" shall be inserted;

(iii) in clause (e),-

(a) in sub-clause (ii), after the words "attached to it", the words "or without a cable network attached under the Direct To Home scheme" shall be inserted;

(b) in the explanation, for the words "Recognised game", the word "game" shall be substituted;

(2) in Section 3, for sub-section (1-A)including the table and proviso, the following shall be substituted, namely:-

"(1-A) In respect of entertainments referred to in sub-clause (iii) of clause (e) of Section 2, other than an entertainment on which tax is levied under section 4-E or 4-F, there shall be levied and paid to the State Government on each payment for admission excluding the amount of tax, to such entertainment, entertainments tax at the rate of ten

per cent, if such payment for admission, excluding the amount of tax, is not less than fifty rupees.

Provided that no tax shall be levied in the case of admission to a circus or magic show or game or sport, where it involves no participation.";

(3) in section 4-C,-

(i) for the word, figure and letter "or 4-B", the figures, letters and word "4-B or 4-G" shall be substituted;

(ii) after the proviso the following provisos shall be inserted, namely:-

"Provided further that no tax shall be payable under this section, if the proprietor is providing television signals under the Direct To Home scheme:

Provided also that subject to such conditions as may be prescribed, no tax shall be payable under this section, if the proprietor is receiving television signals from a Multi System Operator paying tax under section 4-G.";

(iii) after the provisos so inserted, the following explanation shall be inserted, namely:-

"**Explanation.-** (1)A Multi System Operator providing entertainment through antennae or Cable Television directly to subscribers apart from providing satellite television signals to another proprietor, shall be liable to pay tax under this section in addition to his liability to pay tax under section 4-G.

**Explanation.-**(2)A proprietor being a Direct To Home service provider providing entertainment through antennae or Cable Television directly to subscribers apart from providing satellite television signals under the Direct To Home scheme, shall be liable to pay tax under this section in addition to payment of any tax liability under section 4-G.";

(4) in section 4-D, for the words "the proprietor may", the words and comma "any proprietor other than a Multi System Operator or a Direct To Home service provider, may" shall be substituted;

(5) in section 4-E, for the proviso, the following proviso shall be substituted, namely:-

"Provided that no tax shall be levied where the payment for admission excluding the amount of tax, is less than fifty rupees.";

(6) in section 4-F, for the proviso, the following proviso shall be substituted, namely:-

"Provided that no tax shall be levied where the payment for admission excluding the amount of tax, is less than fifty rupees.";

(7) in section 4-G,-

(i) in the heading, after the word “Operator”, the words “and Direct To Home service provider” shall be inserted;

(ii) after the words “and packages”, the words “and by a Direct To Home service provider towards providing television signals under the Direct To Home scheme” shall be inserted;

(iii) the following proviso shall be and shall be deemed to have been inserted with effect from the first day of April, 2002, namely:-

“Provided that no tax shall be levied under this section for the period from the 1st day of April, 2002 to 31st day of March, 2006.”;

(8) in section 7, in sub-section (1) in the proviso, the word “recognized” shall be omitted;

(9) in section 8-E, for the words “empowered by the State Government ” wherever they occur, the words “empowered by the State Government or the Commissioner” shall be substituted;

(10) in section 10, in sub-section (1),-

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

“(aaaa) Such officer shall also have the power,-

(i) to seal any box or receptacle, building or any part of the building in which accounts are suspected to be kept, where the proprietor of any entertainment or the owner or person in charge of the place of entertainment either leaves the premises or is not available or fails or refuses to open any box or receptacle or building or any part of the building when called upon to do so;

(ii) to break open the box or receptacle, building or part of the building where the proprietor or person in charge or the person in occupation leaves the premises or, after any opportunity having been given to him to do so, fails to open the box or receptacle, building or part of the building, and to prepare a list of the goods and documents found therein.”;

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

“(c) All searches and seizures under this section shall be made in accordance with the provisions of Code of Criminal Procedure, 1973 (Central Act 2 of 1974).”;

(11) in section 13, in clause (b),-

(i) for the words, “ten thousand”, the words “two thousand” shall be substituted;

(ii) for the words, “fifteen thousand”, the words “five thousand” shall be substituted.

**6. Amendment of Act 35 of 1976.-** In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 10,-

(i) in the heading, after the words " enrolled persons", the words "and deduction of tax in the case of certain enrolled persons " shall be inserted;

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

"(3) Notwithstanding anything contained in sub-sections (1) and (2), the tax payable under this Act by any agent or any other person by whatever name called earning income by way of commission or other remuneration as specified in item 4 of the Schedule, shall be deducted by the insurance company or bank or other financial institution before such commission or other remuneration is paid to him, and such insurance company or bank or other financial institution shall, irrespective of whether such deduction has been made or not when the commission or other remuneration is paid to such personal shall be liable to pay tax on behalf of all such persons.

(4) The deduction under sub-section (3) shall be made in the month in which the commission or other remuneration payable for any year exceeds thirty six thousand rupees.

(5) The insurance company or bank or other financial institution making deduction under sub-section (3) shall send every month to the jurisdictional assessing authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deduction was made and the amount so payable shall for the purposes of section 13 be deem to be an amount due under this Act.

(6) If default is committed in the payment of tax deducted beyond ten days after the period specified under sub-section (5), the insurance company or bank or other financial institution shall be liable to pay interest at 2% of the amount of tax due for each month or part thereof for a period for which the tax remains unpaid.

(7) The insurance company, or bank or other financial institution making deduction under sub-section (3), shall furnish to the enrolled person or person liable to be enrolled from whom such deduction is made, a certificate obtained from the jurisdictional assessing authority containing such particulars as may be prescribed.

(8) Payment by way of deduction in accordance with sub-section (5), shall be without prejudice to any mode of recovery of tax due under this Act from the enrolled person or person liable to be enrolled and the burden of proving that the tax payable by him has already been deducted and remitted under sub-section (5) shall be on such person.";

(2) for section 13, the following shall be substituted, namely:-

"**13. Recovery of tax and other amounts and period of limitation for recovery of tax:** (1)Any tax due or assessed, or any other amount due under this Act

from an employer or any other person may, without prejudice to any other mode of collection, be recovered,-

(a) as if it were an arrears of land revenue; or

(b) by attachment and sale or by sale without attachment of any property of such employer or any other person by the prescribed authority or the prescribed officer in the prescribed manner, and any prescribed certificate issued towards such sale shall be deemed to be a decree of a Civil Court and shall be executed in the same manner as a decree of such Court; or

(c) on application to any Magistrate, by such Magistrate as if it were a fine imposed by him.

(2) Notwithstanding anything contained in any law for the time being in force, no proceedings for the recovery of any amount under this Act shall be initiated after the expiry of five years from the end of the relevant year or from the date of the relevant assessment:

Provided that when an appeal or application for revision has been filed, the period of limitation shall run from the date on which the amount due is finally determined.

(3) The period of limitation specified under sub-section (2) shall not apply to any case in which, during the course of recovery proceedings initiated under any clause of sub-section (1) or under section 20, any other fresh proceedings are initiated or the employer has deducted any amount by way of tax or purporting to be by way of tax.";

(3) in the Schedule,-

(i) in the entries relating to serial number 20, in column (2), for the words and brackets "Holders of permits of transport vehicles(other than autorickshaws) granted", the words and brackets "Owners of transport vehicles(other than auto rickshaws) run on their own or through others under permits granted" shall be substituted;

(ii) the entries relating to serial number 65 shall be omitted.

**7. Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979(Karnataka Act 22 of 1979),-

(1) in section 2,-

(i) in clause (4-B), for the words "commodity or services specified in the Schedule", the word "services" shall be substituted;

(ii) in clause (5-A), for the words "means an", the words and comma "means a Commercial Tax Officer or an" shall be substituted;

(iii) clause (6-A) shall be omitted;

(iv) clause (6-B) along with the exception shall be omitted;

(v) clause (6-C) shall be omitted;

(vi) clause (8) shall be omitted;

(vii) clause (9) shall be omitted;

(2) in section 4-A,-

(i) in the heading, the words “and stockists” shall be omitted;

(ii) the words “or a stockist” wherever they occur shall be omitted;

(iii) in sub-section (10), the words “or the stockist” shall be omitted;

(3) chapter III and the sections 4-B and 4-C shall be omitted;

(4) in section 5, the words “or stockist” occurring in two places shall be omitted;

(5) in section 5-A, the words “or stockist” wherever they occur shall be omitted;

(6) in section 6, the words “or stockist” wherever they occur shall be omitted;

(7) in section 6-A,-

(i) in the heading, the words “or stockist” shall be omitted;

(ii) in sub-section (1),-

(a) the words “or a stockist” shall be omitted;

(b) the words “ or a registered stockist” shall be omitted;

(iii) in sub-section (2), the words “or stockist” occurring in two places shall be omitted;

(8) in section 7,-

(i) the words “or stockist” occurring in two places shall be omitted;

(ii) the proviso shall be omitted;

(9) in section 7-A,-

(i) in sub-section (1),-

(a) the words “or turnover of stock of luxuries” shall be omitted;

(b) the words “or stockist” shall be omitted;

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

(a) the words “or turnover of stock of luxuries by the stockist” shall be omitted;

(b) the words “or the stockist, as the case may be” shall be omitted;

(10) in section 8, the words “or stockist” wherever they occur shall be omitted;

(11) in section 8-A, the words “or stockist” wherever they occur shall be omitted;

(12) in section 8-C, the words “or stockist” wherever they occur shall be omitted.

(13) in section 9, in sub-section (1), the words “or stockist” shall be omitted;

(14) in section 10-A, the words “or stockist” wherever they occur shall be omitted;

(15) in section 12-A, the words “or class of stockists” shall be omitted;

(16) in section 12-B,-

(i) in sub-section (1), for the words “stockists and every proprietor or stockist”, the words “and every proprietor” shall be substituted;

(ii) sub-section (3), shall be omitted;

(17) in section 13, the words “or stockist” occurring in two places shall be omitted;

(18) in section 17,-

(i) in sub-section (1), the words “or stockist” shall be omitted;

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

(a) for the words “the business of any stockist”, the words “management of hospital” shall be substituted;

(b) the words “or the value of stock of luxuries” shall be omitted;

(iii) in sub-section (3), the words “or stockist” occurring in two places shall be omitted;

(iv) in sub-section (4), the words “or stockist” shall be omitted;

(19) section 17-A shall be omitted;

(20) section 18 shall be omitted;

(21) the Schedule shall be omitted.

**8. Amendment of Karnataka Act 27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in section 4BB, in sub-section (3) , the words “ in that State” shall be and shall always be deemed to have been omitted;

(2) in section 14, in sub-section (1), for the words “empowered by the State Government” wherever they occur, the words “empowered by the State Government or the Commissioner” shall be substituted.

By Order and in the name of the Governor of Karnataka

**G.K. BOREGOWDA**
Secretary to Government,
Department of Parliamentary Affairs and Legislation.

# KARNATAKA ACT NO 5 OF 2007

# THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2007

## Arrangement of Sections

**Sections:**


1. Short title and commencement
2. Amendment of Karnataka Act 25 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Act 35 of 1976
5. Amendment of Karnataka Act 22 of 1979


## STATEMENT OF OBJECTS AND REASONS

**Amending Act 5 of 2007.-** It is considered necessary to amend the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith and also to amend the Karnataka Sales Tax Act, 1957 to provide for a provision for empowering the State Government to withdraw any notification issued under section 8-A either prospectively or retrospectively to give effect to the decision taken by the State Government with regard to discontinuance of sales tax based incentives to industries as a part of national consensus to bring in reforms in State taxes.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A.Bill No. 22 of 2007]

[Entries 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

# KARNATAKA ACT NO 5 OF 2007

**(First Published in the Karnataka Gazette Extra-ordinary on the Thirtieth day of March, 2007)**

## THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2007

(Received the assent of the Governor on the Thirtieth day of March, 2007)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-eighth year of the Republic of India, as follows.-

1. **Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2007.

(2) It shall come into force from the first day of April, 2007.

2. **Amendment of Karnataka Act 25 of 1957.-** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), in section 8-A, after sub-section (3), the following proviso shall be deemed to have been inserted with effect from the first day of January, 2000, namely:-

"Provided that where Government has withdrawn the scheme of giving exemption of tax to any class or category of new investors in general by way of general or special order and in pursuant to such order, the Government may, by notification, withdraw such exemption including exemption granted by special order, if any, from a retrospective date. However, such date shall not be beyond the date of such general or special order."

3. **Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in Section 3, in sub-section (1-A), in the proviso, after the words "circus", the words "or drama" shall be inserted;

(2) in section 4-E, for the words "twenty per cent", the words "ten per cent" shall be substituted;

(3) in section 4-G, for the words "ten per cent", the words "six per cent" shall be substituted;

(4) in section 6, in sub-section (3), for the word "Commissioner" in the two places it occurs, the words "such authority as may be prescribed" shall be substituted.

**4. Amendment of Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 10,

(i) in the heading, after the words " Payment of tax", the words "and filing of return" shall be inserted;

(ii) for sub-section (1) excluding the proviso, the following shall be substituted, namely:-

"(1)Every enrolled person shall pay the tax payable by him under this Act and file his return before the assessing authority, in such manner and such form as may be prescribed."

(iii) for sub-sections (3) to (8), the following sub-sections shall be substituted, namely,-

"(3) Notwithstanding anything contained in sub-sections (1) and (2),

(a) the tax payable under this Act by any agent or any other person by whatever name called earning income by way of commission or other remuneration as specified in item 4 of the Schedule, shall be deducted by the insurance company or bank or other financial institution before such commission or other remuneration is paid to him, and such insurance company or bank or other financial institution shall, irrespective of whether such deduction has been made or not when the commission or other remuneration is paid to such person shall be liable to pay tax on behalf of all such persons;

(b) where any salary or wage earner as specified in item 1 of the Schedule is working for any person registered or enrolled under this Act not as his employee but as a part of man power service by whatever name called being provided to him by any other person, the tax payable under this Act by such salary or wage earner shall be deducted by the person registered or enrolled under this Act before any amount is paid to such person providing service to him, and such person shall, irrespective of whether such deduction has been made or not when the amount is paid to such service provider shall be liable to pay tax on behalf of all such salary or wage earners;

(c) where any person registered or enrolled under this Act has taken on rent or hire or on similar terms any transport vehicle (other than auto rickshaws)for more than a month in a year, the tax payable by the owner of such transport vehicle shall be deducted by such person registered or enrolled under this Act before any amount is paid as rent or by whatever name called to the owner, and such person shall, irrespective of whether such deduction has been made or not when the rent or other amount is paid to such owner shall be liable to pay tax on behalf of all such owners ;

(d) the tax payable under this Act by any licensed race horse owner, trainer, jockey or book maker as specified in item 11 of the Schedule shall be deducted by the turf club or race club which has given him the licence before any amount is paid to such person for whatever reason, and such turf or race club shall, irrespective of whether such deduction has been made or not when any amount is paid to such person shall be liable to pay tax on behalf of all such persons; and

(e) the tax payable by any medical practitioner as specified in item 6 of the Schedule, shall be deducted by the person owning or running the nursing home, hospital, pathological testing laboratory or the X-ray clinic in which such medical practitioner carries on his profession other than as a salaried person, before any amount is paid to such medical practitioner, and such person shall, irrespective of whether such deduction has been made or not when any amount is paid to such medical practitioner shall be liable to pay tax on behalf of all such medical practitioners.

Provided that no deduction shall be made for any year under this sub-section from any enrolled person or person liable to be enrolled who produces copy of the return filed by him for that year.

(4) (a)The deduction under clause (a) of sub-section (3) shall be made in the month in which the commission or other remuneration payable for any year exceeds thirty six thousand rupees.

(b) The deduction under clause (b) of sub-section (3) shall be made every month in which the amount payable to a person exceeds three thousand rupees.

(c) The deduction under clauses (c) to (e) of sub-section (3) shall be made in the month in which any amount is paid for the first time in that year to the said persons.

(5) The person making deduction under sub-section (3) shall send every month to the jurisdictional assessing authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deduction was made and the amount so payable shall for the purposes of Section 13 be deem to be an amount due under this Act.

(6) If default is committed in the payment of tax deducted beyond ten days after the period specified under sub-section (5), such person shall be liable to pay interest at 2% of the amount of tax due for each month or part thereof for a period for which the tax remains unpaid.

(7) The person making deduction under sub-section (3), shall furnish to the enrolled person or person liable to be enrolled from whom such deduction is made, a certificate obtained from the jurisdictional assessing authority containing such particulars as may be prescribed.

(8) Payment by way of deduction in accordance with sub-section (5), shall be without prejudice to any mode of recovery of tax due under this Act from the enrolled person or person liable to be enrolled and the burden of proving that the tax payable by him has already been deducted and remitted under sub-section (5) shall be on such person."

(2) in the Schedule,-

(i) for the entries relating to serial number 69, the following entries shall be substituted, namely:-

| | | |
|---|---|---|
| "69. | Persons engaged in maintenance or running of vehicle including bicycle parking places or areas | |
| | (i) in the Bangalore Urban Agglomeration | Rs.2,500 per annum |
| | (ii) in any other area in the State | Rs.1,500 per annum |
| 70. | Persons owning or running places providing massage, sauna and other health and beauty improvement services, | |
| | (i) in the Bangalore Urban Agglomeration | Rs.2,500 per annum |
| | (ii) in any other area in the State | Rs.1,500 per annum |
| 71. | Persons acting as brokers, commission agents and the like for purchase and sale of old or used motor vehicles, | |
| | (i) in the Bangalore Urban Agglomeration | Rs.2,500 per annum |
| | (ii) in any other area in the State | Rs.1,500 per annum |
| 72. | Persons acting as agents, consultants and the like for any company or firm engaged in any business, | |
| | (i) in the Bangalore Urban Agglomeration | Rs.2,500 per annum |
| | (ii) in any other area in the State | Rs.1,500 per annum |
| 73. | Persons other than those mentioned in any of the preceding entries who are engaged in any profession, trade, calling or employment and who are paying tax under the Income Tax Act, 1961 (Central Act 43 of 1961) | Rs. 2,500 per annum |
| 74. | Persons other than those mentioned in any of the preceding entries who are engaged in professions, trades, callings or employments as the State Government from time to time by notification specify | Rs.1,000 per annum " |

(ii) in the Explanation IV, for the figures and word "64 and 66", the figures, brackets and word "64, 66, 69(i), 70(i), 71(i), 72(i) and 73" shall be substituted.

**5. Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979(Karnataka Act 22 of 1979),

(1) in section 2, in clause (1-C), for the words "charges for hospital", the words "charges for luxuries provided in a hospital" shall be and shall always be deemed to have been substituted;

(2) in section 3, in sub-section (1), in the second proviso, after the words "in India", the words "other than such foreign diplomatic mission as may be notified" shall be inserted;

(3) in section 3-E, for sub-section (1), the following shall be and shall always be deemed to have been substituted, namely:-

"(1) There shall be levied and collected a tax at the rate of eight per cent on the charges collected for luxuries provided in a hospital in a room such as accommodation, air conditioning, telephone, telephone calls, television, radio, music, extra beds and the like, where such charges are more than one thousand rupees per day per room."

(4) in section 4, for sub-section (3), the following shall be substituted, namely:-

"(3) Where luxury provided in a hotel to any person is charged at a concessional rate, then the tax on such luxury, shall be levied and collected on such lower charges where such lower charges are allowed as a result of any discount allowed in general or is in accordance with the terms of a contract or agreement entered into in a particular case and also where such discount allowed is published in tariff cards or displayed or disclosed in writing, in any manner for information."

(5) in Section17, for sub-section (4), the following shall be substituted with effect from the first day of April, 2006, namely:-

"(4) For the purposes of this Act, the Luxury Tax Officer or the person authorised by him in this behalf or the officer authorised under sub-section (1), may enter and search any hotel or any place of business of the proprietor or any other place where the Luxury Tax Officer or the officer authorised under sub-section (1) has reason to believe that the proprietor keeps, or is for the time being keeping, any records of accounts, registers or other documents relating to his business."

By Order and in the name of the Governor of Karnataka

**G. K. BOREGOWDA**
Secretary to Government,
Department of Parliamentary Affairs and Legislation

---

ನಿರ್ದೇಶಕರು, ಮುದ್ರಣ, ಲೇಖನ ಸಾಮಗ್ರಿ ಮತ್ತು ಪ್ರಕಟಣೆಗಳ ಇಲಾಖೆ, ಬೆಂಗಳೂರು

# KARNATAKA ACT NO 6 OF 2008

## THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2008

### Arrangement of Sections

**Sections:**


1. **Short title and commencement**
2. **Amendment of Mysore Act IX of 1932**

**3-A. Payment of totalisator tax by way of composition**

**2A. Amendment of Karnataka Act 25 of 1957**

**3. Amendment of Karnataka Act 30 of 1958**

**3-C. Special provision in respect of certain films**

**4. Amendment of Act No.35 of 1976**

**5. Amendment of Karnataka Act 22 of 1979**

**9. Appeals**

**6. Validation of assessments, etc**.,.-


## STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith or incidental thereto.

Opportunity is also taken to rationalise taxation and make certain consequential amendments also.

Hence the Bill.
(LA Bill No. 3 of 2008, File No.DPAL 11 Shashana 2008)
[Entries 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.)

**KARNATAKA ACT NO. 6 OF 2008**

**(First Published in the Karnataka Gazette Extra-ordinary on the Second day of August, 2008)**

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2008**

(Received the assent of the Governor on the First day of August, 2008)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the fifty-ninth year of the Republic of India, as follows.-

**1. Short title and commencement**.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2008.

(2) It shall come into force with effect from the first day of August, 2008.

**2. Amendment of Mysore Act IX of 1932**.- In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), for section 3-A, the following shall be substituted, namely :-

"**3-A. Payment of totalisator tax by way of composition.**- Notwithstanding anything contained in section 3, but subject to such conditions as may be prescribed, the State Government may if a licensee so elects, accept in lieu of the totalisator tax payable under section 3 during any year, by way of composition, an amount at the rate of four percent of the total amount of moneys paid into the totalisator.

**Explanation**: Where rate of composition amount is varied in the middle of the year, the tax may be compunded, for the part of year at the rates applicable to that part of the year."

**2A. Amendment of Karnataka Act 25 of 1957**.- In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), in section 20, in sub-section (5), after clause (b), in the second proviso as it existed prior to the first day of August, 2004, for the words "shall be completed", the words "as far as possible may be completed" shall be and shall be deemed to have been *substituted* from the first day of April,2002 .

**3. Amendment of Karnataka Act 30 of 1958**.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) for section 3-C, the following shall be substituted, namely:-

**"3-C. Special provision in respect of certain films**.- Notwithstanding anything contained in sections 3 and 3-A, no tax shall be levied under the said sections on a cinematograph show of a Kannada, Kodava, Konkani, Tulu or Banjara film which is not a dubbed version of a film of other language, subject to production of a certificate by the proprietor, as may be prescribed."

(2) in section 4-A, in sub-section (1), for the provisos, the following proviso shall be substituted, namely:-

"Provided that no tax shall be levied under this sub-section on a cinematograph show of a Kannada, Kodava, Konkani or Tulu film which is not a dubbed version of a film of other language, subject to production of a certificate by the proprietor, as may be prescribed ."

(3)in section 8-B, in sub-section (3),-

(a) in sub-clause (a), after the words "in appeal", the words "and one half of the tax or other amount disputed in appeal" shall be inserted;

(b) for the proviso, the following proviso shall be *substituted*, namely:-

" Provided that the appellate authority may, in its discretion, stay payment of the balance half of tax or other amount disputed in appeal, if the appellant furnishes security to its satisfaction in such form and in such manner as may be prescribed."

(c) after the proviso so substituted, the following provisos shall be *inserted*, namely:-

" Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax or other amount disputed and furnishing security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days:

Provided also that where an order staying proceedings of recovery of any tax or other amount is passed under the first proviso, the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order:

Provided also that if such appeal is not so disposed of within the period specified in third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount."

(d) after the provisos so inserted, the following explanation shall be *inserted,* namely:-

**"Explanation**.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008, shall be subject to clause (a) and the provisos of this sub-section."

(4) in section 8-E,-

(a) in sub-section (4), after the words "accompanied by", the words "proof of payment of one half of tax or other amount disputed and also" shall be inserted;

(b) for sub-section (6) including the first proviso, the following shall be *substituted*, namely:-

"(6) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of balance half of the tax or other amount disputed, if the appellant furnishes sufficient security to its satisfaction in such form and in such manner as may be prescribed:

Provided further, that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of such balance half of tax or other amount:

Provided also that if such appeal is not so disposed of within the period specified in second proviso, the order of stay shall stand vacated and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount."

(c) in the second proviso as it exists prior to the commencement of this Act, for the word "further", the word "also" shall be *substituted*;

(d) after the fourth proviso so amended, the following explanation shall be *inserted,* namely:-

**"Explanation**.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008 shall be subject to sub-sections (4) and (6)."

**4. Amendment of Act No.35 of 1976**.- In the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No.35 of 1976), in the Schedule,-

(1) in serial number 1, in column (2), the entries relating to item (a) and the corresponding entries in column (3) shall be omitted;

(2) after the entries relating to serial number 18, as it existed prior to the first day of April, 2003, the following explanation, shall be and shall always be deemed to have been *inserted*, namely:-

**"Explanation**.- For the purpose of this entry, 'banking companies' shall include any bank whose operations are governed by the provisions of the Banking Regulation Act,1949 (Central Act 10 of 1949)."

(3) after the entries relating to serial number 24, the following explanation, shall be deemed to have been *inserted with effect* from the first day of April, 2003, namely:-

**"Explanation**.- For the purpose of this entry, 'banking companies' shall include any bank whose operations are governed by the provisions of the Banking Regulation Act,1949 (Central Act 10 of 1949)."

**5. Amendment of Karnataka Act 22 of 1979**.- In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 3-C, for the words "fifteen per cent", the words "twenty per cent" shall be substituted;

(2) in section 4, for sub-section (3), the following shall be *substituted*, namely:-

"(3)Where luxury provided in a hotel to any person (not being an employee of the hotel), is not charged at all, or is charged at a concessional rate, then the tax on such luxury shall be levied and collected as if full charges for such luxury were paid to the proprietor of the hotel."

(3) for section 9, the following shall be *substituted*, namely:-

**"9. Appeals**.- (1) Any proprietor objecting to any order or proceedings passed under the provisions of this Act, by the Luxury Tax Officer, may appeal to the Appellate Authority as may be prescribed.

(2) The appeal shall be preferred,-

(a) in respect of an order of assessment, within thirty days from the date on which the notice of assessment, was served on the appellant, and

(b) in respect of any other order or proceedings, within thirty days from the date on which the order was communicated to the appellant:

Provided that the Appellate Authority may admit an appeal preferred after the period as aforesaid, but within a further period of one hundred and eighty days, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(3) (a) Notwithstanding that an appeal has been preferred under sub-section (1), the tax or other amount due shall be paid in accordance with the order or proceedings against which an appeal has been preferred.

(b) No appeal against an order of assessment shall be entertained by the Appellate Authority, unless it is accompanied by satisfactory proof of the payment of, tax and other amount due if any, not disputed in the appeal and one half of the tax or other amount disputed in appeal.

Provided that the Appellate Authority may, in its discretion, stay payment of the balance half of tax or other amount disputed in appeal, if the appellant furnishes security to its satisfaction in such form and in such manner as may be prescribed:

Provided further that where any application filed for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order, staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax or other amount disputed and furnishing of sufficient security to the satisfaction of the Luxury Tax Officer in regard to the remaining half of such tax or amount within a further period of fifteen days:

Provided also that where an order staying proceedings of recovery of any tax or other amount is passed in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order:

Provided also that if such appeal is not so disposed of within the period specified in third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount.

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(5) In disposing of an appeal, the Appellate Authority may, after giving the appellant a reasonable opportunity of being heard,-

(a) in the case of an order of assessment or penalty,-

(i)confirm, reduce or enhance the assessment including any part thereof whether or not such part is objected to in the appeal;

(ii)pass such other orders as it may think fit; and

(b) in the case of any other order or proceedings, confirm, cancel or vary such order.

Provided that in disposing of an appeal, the Appellate Authority shall not set aside any order or proceedings of assessment or any other order and direct the Luxury Tax Officer to make a fresh assessment or to make a fresh order:

Provided further that the Appellate Authority shall pass an order disposing of an appeal, within a period of thirty days from the date on which the hearing of the case was concluded and where it is not practicable so to do on the ground of the exceptional and extraordinary circumstances of the case, the Appellate Authority shall fix a future date for passing the order, and such day shall not be a day beyond sixty days from the date on which the hearing of the case was concluded, with due notice of the same to the appellant.

(6) Every order passed on appeal under this section shall, subject to the provisions of sections 11 and 11-A, be final.

**Explanation**.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008 shall be subject to this section.";

(4) in section 11,-

(a) in sub-section (3), after the words "accompanied by", the words "proof of payment of one half of the tax or other amount disputed and also" shall be inserted;

(b) for sub-section (6) including the proviso, the following shall be *substituted*, namely:-

"(6) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay the payment of the balance half of the tax or other amount disputed, if the appellant furnishes sufficient security to its satisfaction in such form and in such manner as may be prescribed:

Provided further that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of such half of the tax or other amount and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.

**Explanation**.- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008 shall be subject to this section."

**6. Validation of assessments, etc**.,.-Notwithstanding anything contained in any judgement, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) and the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 (Karnataka Act No. 35 of 1976) (hereinafter referred to as the said Acts) before the commencement of this Act shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Acts, as amended by this Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court or Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

**ಜಿ.ಕೆ. ಬೋರೇಗೌಡ**
ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ,
ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನಾ ಇಲಾಖೆ.

**ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು - 01.**

**KARNATAKA ACT NO 7 OF 2009**
**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2009**

## Arrangement of Sections

**Sections:**


1. **Short title and commencement**
2. **Amendment of Mysore Act IX of 1932**
3. **Amendment of Karnataka Act 30 of 1958**
4. **Amendment of Act 35 of 1976**
5. **Amendment of Karnataka Act 22 of 1979**


## STATEMENT OF OBJECTS AND REASONS

**Amending Act 7 of 2009.-** It is considered necessary to amend the Mysore Betting tax Act, 1932, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.
(LA Bill No.21 of 2009, File No. DPAL 13 Shasana 2009)
[Entries 60 and 62 of List II of the Seventh Schedule to the Constitution of India.)

**KARNATAKA ACT NO 7 OF 2009**


(First Published in the Karnataka Gazette Extra-ordinary on the Eighteenth day of March, 2009)


**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2009**


(Received the assent of the Governor on sixteenth day of March, 2009)


An Act further to amend certain taxation laws inforce in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixtieth year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2009.

(2) It shall come into force with effect from the First day of April, 2009.

**2. Amendment of Mysore Act IX of 1932.-** In the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932),-

(1) for section 6, the following shall be substituted, namely:-

"**6. Betting Tax.-** (1) There shall be levied and collected a tax, referred to as the Betting Tax, on the bets made by backers in an enclosure set apart by the licensee in accordance with the provisions of Mysore Race Courses Licensing Act, 1952 (Mysore Act No. VIII of 1952) through a licensed bookmaker on any race, whether run on the same race course or on any other race course either within the State or outside the State, at a rate not exceeding fifty thousand rupees for each day of a race meeting as may be specified by the State Government by a notification.

(2) The betting tax levied under sub-section (1) shall be paid by every licensed bookmaker."

(2) for section 7, the following shall be substituted, namely:-

"**7. Payment of betting tax.-** Every licensed bookmaker shall pay the betting tax levied under section 6, in the manner and within such time along with a return in such form and manner as may be prescribed."

**3. Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in Section 3,-

(a) in sub-section (1), in clause (b), for the figures and words "40 per cent", the figures and words "30 per cent" shall be substituted;

(b) in sub-section (1-A), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that admission to a game or sport involving proprietary teams, that is played for prize moneys and organized on commercial basis shall not be exempted from tax under the first proviso.";

(2) in section 4-G, after the words "amounts received", the words "or receivable" shall be inserted;

(3) in section 6-A, after sub-section (4), the following shall be inserted, namely:-

"(5) No assessment under this section for any prescribed period shall be made after a period of one year on the date on which the return under sub-section (1) for that prescribed period is submitted by a proprietor.

Provided that the assessment proceedings relating to any prescribed period ending before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2009 in respect of which a return under sub-section (1) has been submitted before such commencement, shall be completed within a period of one year on the date of such commencement:

Provided further that the Commissioner may direct assessment of cases on random basis.

Provided also that nothing in this sub-section limiting the time within which assessment may be made, shall apply to an assessment made in consequence of, or to give

effect to, any findings, directions or orders made under section 8-B, 8-C, 8-D or 8-E or any judgment or order made by any Court.

(6) In computing the period of limitation for assessment under this section,-

(a) the time during which the proceedings for assessment in question have been deferred on account of any stay order granted by any Court or any other authority shall be excluded;

(b) the time during which the assessment has been deferred in any case or clause of cases by the Joint Commissioner for reasons to be recorded in writing shall be excluded.

(7) Where an assessment under this section is not concluded within the time specified in sub-section (5), the complimentary tickets and payment for admissions declared by a proprietor in his return shall be deemed to have been assessed for that prescribed period on the basis of said return and provisions of this Act relating to assessment of escaped complimentary ticket or payment for admission to any entertainment, payment and recovery, appeal and revision shall *mutatis mutandis* apply to such deemed assessment.

(8) Notwithstanding anything contained in this section, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of proprietors for any prescribed period shall be deemed to have been made on the basis of the return submitted under sub-section (1) without requiring presence of the proprietor or production of accounts and other documents by the proprietor." ;

(4) after section 8-E, the following shall be inserted, namely:-

"**8-F**. **Revision by High Court in certain cases**.- (1) Within one hundred and eighty days from the date on which an order under sub-section (5) or (7) or (8) of Section 8-E was communicated to him, the appellant or the respondent may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either failed to decide or decided erroneously any question of law.

(2) The High Court may admit a petition preferred after the period of one hundred and eighty days aforesaid if it is satisfied that the petitioner has sufficient cause for not preferring the petition within that period.

(3) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, when it is preferred by any person other than an officer empowered by the Government under sub-section (1) of Section 8-E, be accompanied by a fee of one hundred rupees.

(4) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily:

(5) The High Court shall not dismiss any petition unless the petitioner has had a reasonable opportunity of being heard in support thereof.

(6) (a) If the High Court does not dismiss the petition summarily, it shall, after giving both the parties to the petition a reasonable opportunity of being heard, determine the question or questions of law raised and either reverse, affirm or amend the order against which the petition was preferred or remit the matter to the Appellate Tribunal with the

opinion of the High Court on the question or questions of law raised or pass such other order in relation to the matter as the High Court thinks fit.

(b) Where the High Court remits the matter to the Appellate Tribunal under clause (a) with its opinion on questions of law raised, the latter shall amend the order passed by it in conformity with such opinion.

(7) Before passing an order under sub-section (6) the High Court may, if it considers necessary so to do remit the petition to the Appellate Tribunal and direct it to return the petition with its finding on any specific question or issue.

(8) Notwithstanding that a petition has been preferred under sub-section (1), the tax shall be paid in accordance with the assessment made in the case.

(9) If as a result of the petition, any change becomes necessary in such assessment, the High Court may authorize the prescribed authority to amend the assessment and the prescribed authority shall amend the assessment accordingly and thereupon the amount overpaid by the person concerned shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with provisions of this Act, as the case may be.

(10) (a) The High Court may, on the application of either party to the petition, review any order passed by it under sub-section (6) on the basis of facts which were not before it when it passed the order.

(b) The application for review shall be preferred within such time and in such manner as may be prescribed, and shall where it is preferred by any person other than an officer empowered by the Government under sub-section (1) of Section 8-E be accompanied by a fee of one hundred rupees.

(11) (a) With a view to rectifying any mistake apparent from the record, the High Court may, at any time within five years from the date of the order passed by it under sub-section (6), amend such order.

(b) The High Court shall not pass an order under this sub-section without giving both parties affected by the order a reasonable opportunity of being heard.

(12) In respect of every petition preferred under sub-section (1) or (10), the costs shall be in the discretion of the High Court."

**4. Amendment of Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 5, after sub-section (4), the following shall be inserted, namely:-

"(5) Where an employer or a person liable for registration or enrolment has failed to apply for such registration or enrolment within the time specified, the assessing authority shall, after giving him a reasonable opportunity of being heard, impose a penalty of one thousand rupees in the case of an employer and five hundred rupees in the case of any other person." ;

(2) in section 6-A, after sub-section (3), the following shall be inserted, namely:-

"(4) Where an employer has failed to furnish a statement in the prescribed form or failed to pay the tax due on any statement furnished as required under the Act, the assessing authority shall, after giving him a reasonable opportunity of being heard, impose a penalty of two hundred and fifty rupees.";

(3) in section 7,-

(a) for sub-section (1), the following shall be substituted, namely:-

"(1) Notwithstanding anything contained in sub-section (2) as it existed prior to commencement of the Karnataka Taxation Laws(Amendment) Act, 2009, every employer shall be deemed to have been assessed to tax based on the return filed by him under section 6 for any year commencing from the first day of April, 2008, except in cases where the Commissioner may notify the employer of any requirement of production of accounts before the assessing authority in support of a return filed for any year and such authority shall proceed to assess such dealer,-

(a) on the basis of the return filed where he is satisfied that the return filed is correct and complete, or

(b) to the best of its judgment, where the return filed appears to be incorrect or incomplete, after giving the employer an opportunity of showing cause against such assessment in writing." ;

(b) for sub-section (2), the following shall be substituted, namely:-

"(2) Notwithstanding anything contained in this section as it existed prior to commencement of the Karnataka Taxation Laws (Amendment) Act, 2009, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of employers for any year shall be deemed to have been made on the basis of the return submitted under sub-section (1) without requiring the presence of the employer or production of accounts and other documents by the employer." ;

(4) in section 21, after the words "Any authority", the words "or any officer authorised by the Commissioner either generally or specifically" shall be inserted;

(5) in section 26, in sub-section (1), after the words "assessing authority", the words "or the officer authorised under section 21" shall be inserted;

(6) in the Schedule, in serial number 1, in column (2),-

(a) the entries relating to item (b) and the corresponding entries in column (3) shall be omitted;

(b) the entries relating to item (c) and the corresponding entries in column (3) shall be omitted.

**5. Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 3, for sub-section (1), the following shall be substituted, namely:-

"**3. Levy and collection of tax on luxury provided in a hotel.-** (1) Subject to the provisions of this Act, there shall be levied and collected a tax on the luxury provided in a hotel in respect of every room (to be known as `Luxury Tax') at the following rates, namely:-

| Serial Number | Charges | Rate of tax |
|---|---|---|
| 1 | Where the charges for lodging per room per day are not less than five hundred rupees but not more than one thousand rupees | Four per cent of such charges |
| 2 | Where the charges for lodging per room per day are more than one thousand rupees but not more than two thousand rupees | Six per cent of such charges |
| 3 | Where the charges for lodging per room per day are more than two thousand rupees | Ten per cent of such charges |

Provided that where charges for lodging are payable otherwise than on daily basis, then, for the purposes of determining the tax liability under this section, the charges shall be computed as for a day, based on the period of lodging for which the charges are payable.

Provided further that where any charges for lodging are paid by any person who is a member of the Foreign Diplomatic Mission in India, other than such foreign diplomatic mission as may be notified then such person shall be exempt from payment of tax. " ;

(2) in section 3-B, for the words "twenty per cent", the words "ten per cent" shall be substituted;

(3) in section 3-C, for the words "twenty per cent", the words "ten per cent" shall be substituted;

(4) in section 4, for sub-section (3), the following shall be substituted, namely:-

"(3) Where luxury provided in a hotel to any person is charged at a concessional rate, then the tax on such luxury, shall be levied and collected on such lower charges where such lower charges are allowed as a result of any discount allowed in general or is in accordance with the terms of a contract or agreement entered into in a particular case and also where such discount allowed is published in tariff cards or displayed or disclosed in writing, in any manner for information." ;

(5) in section 12-A, for the words "specified class of hotels", the words "specified class of hotels, marriage halls, clubs and hospitals" shall be substituted.

By Order and in the name of the Governor of Karnataka

**G.K. BOREGOWDA**
Secretary to Government,
Department of Parliamentary Affairs and Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು.

**KARNATAKA ACT NO 5 OF 2010**

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2010**

**Arrangement of Sections**

**Sections:**


1. Short title and commencement
2. Amendment of Karnataka Act 25 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Karnataka Act 35 of 1976
5. Amendment of Karnataka Act 22 of 1979
6. Amendment of Karnataka Act 27 of 1979
7. Validation of assessments, etc.


**STATEMENT OF OBJECTS AND REASONS**

**Amending Act 5 of 2010.-** It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith and specifically to,

(i) amend the Karnataka Sales Tax Act, 1957 to provide for levy of tax on supply of goods by an association or a body of persons like clubs, registered or unregistered, to its members retrospectively from second day of February, 1983 from which day by the forty-sixth amendment to the Constitution of India, the State Legislature was empowered to levy tax on such transactions so as to remove doubts raised in this regard because of the judgment of the Hon'ble High Court of Karnataka in the case of Century Club and Others versus The State of Mysore and another, declaring the provisions made in the Karnataka Sales Tax Act, 1957 before such constitutional amendment for levy of tax on such transactions as void and inoperative.

(ii) provide for collection of entry tax in advance under the Karnataka Tax on Entry of Goods Act, 1979 at the point of sugar factories selling sugar to dealers who subsequently cause entry of such sugar into any local area in the State.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A.Bill No. 9 of 2010, File No.DPAL 12 Shasana 2010]

[Entry 52,54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

**KARNATAKA ACT NO 5 OF 2010**

(First Published in the Karnataka Gazette Extra-ordinary on the thirtieth day of March, 2010)

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2010**

(Received the assent of the Governor on the twenty ninth day of March, 2010)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty First year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2010.

(2) It shall come into force with effect from the First day of April, 2010.

**2. Amendment of Karnataka Act 25 of 1957.-** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),-

(1) in section 2, in sub-section (1),-

(a) in clause (k), after sub-clause (vi), the following sub-clause shall be and shall deemed to have been inserted with effect from the second day of February, 1983, namely:-

"(vi-1) an unincorporated association or body of persons which supplies goods to its members for cash, deferred payment or other valuable consideration;"

(b) in clause (t),-

(i) after sub-clause (iv), the following shall be and shall be deemed to have been inserted with effect from the second day of February, 1983, namely:-

"(v) a supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration;

(vi) a supply by way of or as part of any service or in any other manner whatsoever of goods, being food or any other article for human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration, and such transfer, delivery or supply of any goods shall be deemed to be a sale of those goods by the person making the transfer, delivery or supply and a purchase of those goods by the person to whom such transfer, delivery or supply is made."

(ii) Explanation 3-A shall be and shall be deemed to have been omitted with effect from the second day of February, 1983.

(2) in section 12,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (1-A), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(3) in section 12-B, in sub-section (1), after the fourth proviso, the following proviso shall be inserted, namely:-

"Provided also that the specified class of dealers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the tax payable on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification."

(4) in section 13, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the specified class of dealers as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification."

(5) in section 25-B,-

(a) in sub-section (3), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (4), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable under sub-section (1) and cess payable under sub-section(2), by electronic remittance through internet in the manner specified in the said notification."

**3. Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 6-A,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the specified class of proprietors of entertainments as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (1-A), the following proviso shall be inserted, namely:-

"Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(2) in section 9, in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax or any other amount due under this act, by electronic remittance through internet in the manner specified in the said notification."

**4. Amendment of Karnataka Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 6,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

"Provided further that the specified class of employers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-

"Provided that the specified class of employers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(2) in section 6-A,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the specified class of employers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-

"Provided that the specified class of employers as may be notified by the Commissioner shall pay the tax payable on the basis of the statement under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(3) in section 10,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the specified class of enrolled persons as may be notified by the Commissioner shall pay the tax payable, by electronic remittance through internet and also submit the return in the prescribed form, electronically through internet, in the manner specified in the said notification."

(b) in sub-section (5), the following proviso shall be inserted, namely:-

"Provided that the specified class of persons as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the amount of tax deducted on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification."

**5. Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 3, in sub-section (1),-

(a) in the entries relating to serial number 2, for the words "Six per cent of such charges", the words "Eight per cent of such charges" shall be substituted;

(b) in the entries relating to serial number 3, for the words "Ten per cent of such charges", the words "Twelve per cent of such charges" shall be substituted.

(2) in section 5,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of proprietors as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-

"Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(3) in section 5-A,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of proprietors as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-

"Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax payable on the basis of the statement under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(4) in section 8, in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification."

(5) in section 11-A, in sub-section (1), for the words "sixty days" in two places where they occur, the words "one hundred and eighty days" shall be substituted.

**6. Amendment of Karnataka Act 27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in section 5,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(2) in section 7, in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the tax payable on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification."

(3) in section 8, in sub-section (1), the following proviso shall be inserted, namely:-

"Provided further that the specified class of dealers as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification."

(4) after section 8-A, the following shall be inserted, namely:-

"**8-B. Payment of tax at source in the case of sugar.-** (1) Notwithstanding anything contained in sections 7 and 8, every dealer purchasing sugar from a manufacturer in the State, shall pay an amount equivalent to the tax payable by such dealer under the Act on entry of sugar so purchased into a local area in the State by such dealer to such manufacturer of sugar.

(2) Every manufacturer of sugar to whom an amount is payable by a purchaser as specified under sub-section (1), shall deliver sugar to the purchaser only after payment of such amount to him and where the sugar is delivered without payment of such amount, it shall be deemed to be an amount due under this Act from such manufacturer of sugar.

(3) Every manufacturer of sugar in the State shall submit every month to the prescribed authority a statement in the prescribed form containing particulars of tax paid to him under sub-section (1) during the preceding month and remit the amount of tax so paid to him within twenty days after the close of the preceding month in which such payment was made and the amount liable to be so remitted shall be deemed to be an amount due under this Act.

Provided that the specified class of manufacturers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the amount of tax payable on such statement, by electronic remittance through internet, in the manner specified in the said notification.

(4) The manufacturer of sugar to whom payment is made under sub-section (3), shall furnish to the purchaser who has made such payment, a certificate obtained from the prescribed authority containing such particulars as may be prescribed.

(5) Payment in accordance with sub-section (1), shall be without prejudice to any other mode of recovery of tax due under this Act from the purchasing dealer on entry of sugar purchased.

(6) Where tax in respect of purchase of sugar is remitted under sub-section (3), the tax payable by the purchasing dealer on entry of such sugar or where no tax is payable in respect of purchase of such sugar, any other tax payable by the purchasing dealer, shall be reduced by the amount of tax already remitted under the said sub-section.

(7) The burden of proving that the tax on such entry of sugar has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction."

(5) in section 12-C, in sub-section (1), for the words, figures and brackets "Section 4 of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957)", the words, figures and brackets "section 60 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)" shall be substituted.

**7. Validation of assessments, etc.,.-**Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (hereinafter referred to as the said Act) before the commencement of this Act from an unincorporated association or body of persons which supplies goods to its members for cash, deferred payments or other valuable consideration shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by this Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.

By Order and in the name of the Governor of Karnataka

**G.K. BOREGOWDA**
Secretary to Government,
Department of Parliamentary Affairs and Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು. (ಪಿ-3)

# KARNATAKA ACT NO. 15 OF 2011

# THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2011

## Arrangement of Sections

**Sections:**


1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of the Mysore Act VIII of 1952
4. Amendment of Karnataka Act 30 of 1958
5. Amendment of Karnataka Act 35 of 1976
6. Amendment of Karnataka Act 22 of 1979
7. Amendment of Karnataka Act 27 of 1979
8. Repeal of certain enactments


## STATEMENT OF OBJECTS AND REASONS

**Amending Act 15 of 2011.-** It is considered necessary to amend the Mysore Betting Tax Act, 1932, the Mysore Race Courses Licensing Act, 1932, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to,

(i) extend the application of the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1952 for the whole of State of Karnataka;

(ii) to omit certain redundant provisions and the Schedules in the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1952;

(iii) to repeal certain redundant enactments; and

(iv) give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.
[L.A. Bill No.11 of 2011, File No.Samvyashae 13 Shasana 2011]

[Entries 34,52, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

- - - -

## KARNATAKA ACT NO. 15 OF 2011

(First Published in the Karnataka Gazette Extra-ordinary on the nineteenth day of March, 2011)

## THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2011

(Received the assent of the Governor on the seventeenth day of March, 2011)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty second year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2011.

(2) It shall come into force with effect from the First day of April, 2011.

**2. Amendment of Mysore Act IX of 1932.-** In the Betting Tax Act, 1932 (Mysore Act IX of 1932),-

(1) in section 1, for sub-section (2), the following shall be substituted, namely:-

"(2) It extends to the whole of the State of Karnataka."

(2) for section 3-A, the following shall be substituted, namely:-

"**3-A. Payment of totalisator tax by way of composition.-** Notwithstanding anything contained in section 3, but subject to such conditions as may be prescribed, the State Government may, if a licensee so elects, accept in lieu of the totalisator tax payable under section 3 during any year, by way of composition, in respect of a licencee in Bangalore City at the rate of eight percent of the total amount of moneys paid into the totalisator and in respect of a licencee in Mysore City at the rate of four percent of the total amount of moneys paid into the totalisator."

(3) sections 12, 13 and 14, as existed before the Mysore Betting Tax (Karnataka Amendment) Act, 1980 (Karnataka Act 22 of 1980) shall be omitted.

**3. Amendment of the Mysore Act VIII of 1952.-** In the Mysore Race Courses Licensing Act, 1952 (Mysore Act VIII of 1952),-

(1) in the Title, long title and preamble, for the word "Mysore", the word "Karnataka" shall be substituted; and

(2) in section 1,-

(i) in sub-section (1), for the word "Mysore", the word "Karnataka" shall be substituted;

(ii) for sub-section (2), the following shall be substituted, namely:-

"(2) It extends to the whole of the State of Karnataka.".

(3) sections 12, 13 and 14 and the Schedule shall be omitted.

**4. Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 2,-

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

"(aa) **"Additional Commissioner"** means the Additional Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004); "

(ii) clause (da) shall be omitted;

(2) in section 5,-

(i) after the words "with the previous approval of the State Government", the words " or the Commissioner or any officer authorised by the State Government or the Commissioner" shall be inserted;

(ii) for the words "as may be specified by the State Government", the words "as may be prescribed or specified by the State Government" shall be substituted.

(iii) in the proviso, after the words “the State Government”, the words “ or the Commissioner or any officer authorised by the State Government or the Commissioner” shall be inserted.

(3) in section 6-A,-

(i) in the title, for the word “Returns”, the words “Submission of returns and furnishing of information” shall be substituted.

(ii) after sub-section (1-A), the following shall be inserted, namely:-

“(1-B) Every proprietor of a cinema theatre belonging to a specified class as may be notified by the Commissioner shall enter in the website, particulars of each cinematograph show within such time as may be specified in the notification.”

(4) after section 8-C, the following shall be inserted, namely:-

“**8-CC. Revision by the Additional Commissioner.-** (1) The Additional Commissioner may on his own motion call for and examine the record of any order passed or proceeding recorded under this Act and if he considers that any order passed therein by any officer, who is not above the rank of a Joint Commissioner, is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or canceling the assessment or directing a fresh assessment.

(2) The Additional Commissioner shall not exercise any power under sub-section (1), if.-

(a) the time for appeal against the order has not expired;

(b) the matter has been subject to an appeal under Section 8-E or a revision in the High Court; or

(c) more than four years have expired after the passing of the order sought to be revised.

Provided that in the case of an order passed by the Appellate Authority under Section 8-E allowing the appeal preferred in full, the condition specified in clause (a) shall not apply.

(3) Notwithstanding anything contained in sub-section (2), the Additional Commissioner may pass an order under sub-section (1), on any point which has not been raised and decided in an appeal or revision referred to in clause (b) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or revision or before the expiry of a period of four years referred to in clause (c) of that sub-section, whichever is later.

(4) Every order passed in revision under sub-section (1) shall, subject to the provisions of Section 8-D be final.

(5) If the order passed or proceedings recorded by the Additional Commissioner, involves an issue on which the High Court has given its decision adverse to the revenue in some other proceedings and an appeal to the Supreme Court against such decision of the High Court is pending, the period spent between the date of the decision of the High Court and the date of the decision of the Supreme Court shall be excluded in computing the period referred to in clause (c) of sub-section (2).

(6) In computing the period of limitation for the purpose of sub-section (2), any period, during which any proceeding under this Section is stayed by an order or injunction of any court, shall be excluded.

(7) For the purposes of this Section, ‘record’ shall include all records relating to any proceedings under this Act available at the time of examination by the Additional Commissioner.”

(5) Section 10A shall be omitted.

**5. Amendment of Karnataka Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in section 5,-

(1) after sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the Commissioner may notify the website in which an application for registration shall be made electronically in the manner specified in the said notification.”

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

“Provided that the Commissioner may notify the website in which an application for enrolment shall be made electronically in the manner specified in the said notification.”

**6. Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 2, after clause (1-C), the following shall be inserted, namely:-

"(1-D) **"Additional Commissioner"** means the Additional Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004); "

(2) in section 4-A, after sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the Commissioner may notify the website in which an application for registration shall be made electronically in the manner specified in the said notification."

(3) in section 10,-

(i) in the title for the words "Joint Commissioner and ", the words and punctuation mark "Joint Commissioner, Additional Commissioner and " shall be substituted;

(ii) after sub-section (1), the following shall be inserted, namely:-

" (1-A**)** The Additional Commissioner may of his own motion, call for and examine the record of any order passed or proceedings recorded under the provisions of this Act by any officer, who is not above the rank of a Joint Commissioner, for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceeding insofar as it is prejudicial to the interest of revenue, and pass such orders with reference thereto as he thinks fit."

(iii) in sub-section (2), for the words "Joint Commissioner", the words "Additional Commissioner" shall be substituted;

(iv) in sub-section (3), for the words, brackets and figures "sub-sections (1) and (2)", the words, brackets, figures and letter "sub-sections (1), (1-A) and (2) " shall be substituted;

(v) in sub-section (4), for the words, brackets and figures "sub-section (1) or (2)", the words, brackets, figures and letter "sub-section (1), (1-A) or (2) " shall be substituted;

(vi) in sub-section (6), for the words, brackets and figures "sub-section (1)", the words, brackets, figures and letter "sub-section (1) or (2)" shall be substituted.

(vii) in the Explanation I, for the words "the Joint Commissioner", the words "the Additional Commissioner or the Joint Commissioner" shall be substituted.

(4) for section 12-A, the following shall be substituted, namely:-

"**12-A. Power of State Government to exempt or reduce tax or permit payment of composition amount.-** The State Government may, if in its opinion, it is necessary in the public interest so to do, by notification and subject to such restrictions and conditions and for such period as may be specified in the notification,-

(a) exempt or reduce the tax payable under this Act in respect of specified class of hotels, marriage halls, clubs and hospitals; and,

(b) permit payment of an amount by way of composition in lieu of the tax payable under this Act in respect of specified class of hotels."

**7. Amendment of Karnataka Act 27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in section 4, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the Commissioner may notify the website in which an application shall be made electronically." ;

(2) in section 18-B,-

(i) in sub-section (1), for the word, figure and letter "Section 28-A", the words, figures and letter "Section 28-A of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or sub-section (3) of Section 53 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)" shall be substituted;

(ii) for the Explanation at the end, the following shall be substituted, namely:-

"**Explanation.-** In case where a vehicle owned by a person is hired for transportation of goods by some other person including a transporting or any other similar agency, both the persons shall for the purposes of this Section, be deemed to be the owner of the vehicle, and shall be jointly and severally liable to pay any amount of tax or penalty payable."

**8. Repeal of certain enactments.-** The enactments specified in the Schedule below, as in force in the Belgaum, Gulbarga and Mangalore and Kollegal Areas of the State are hereby repealed.

**SCHEDULE**
(see section 3)

| Sl. No. | Year of Enactment | No. of Enactment | Name of Enactment | Area where the enactment is in force |
|---|---|---|---|---|
| (1) | 1912 | III | The Bombay Race-Courses Licensing Act | Belgaum Area |
| (2) | 1358F | LI | The Hyderabad Horse Racing and Betting Tax Regulation 1358F | Gulbarga Area |
| (3) | 1925 | VI | The Bombay Betting Tax Act | Belgaum Area |
| (4) | 1935 | XX | The Madras Betting Tax Act | Mangalore and Kollegal Area |

By Order and in the name of the Governor of Karnataka

**G.K. BOREGOWDA**
Secretary to Government,
Department of Parliamentary Affairs and Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು. (ಪಿ3) (400 ಪ್ರತಿಗಳು)

**KARNATAKA ACT NO 18 OF 2012**

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2012**

**Arrangement of Sections**

**Sections:**


1. **Short title and commencement**
2. Amendment of Karnataka Act 22 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Karnataka Act 35 of 1976
5. Amendment of Karnataka Act 22 of 1979
6. Amendment of Karnataka Act 27 of 1979


**STATEMENT OF OBJECTS AND REASONS**

**Amending Act 18 of 2012.-** It is considered necessary to amend the Karnataka Agricultural Income Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 4 of 2012, File No.Samvyashae 24 Shasana 2012]

[Entries 46, 52, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

---

**KARNATAKA ACT NO 18 OF 2012**

(First Published in the Karnataka Gazette Extra-ordinary on the thirty-first day of March, 2012)

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2012**

(Received the assent of the Governor on the thirty-first day of March, 2012)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty third year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2012.

(2) It shall come into force with effect from the First day of April, 2012.

**2. Amendment of Karnataka Act 22 of 1957.-** In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957),-

(1) in section 55, in sub-section (1), for the words “sixty days” occurring in two places, the words “one hundred and eighty days” shall be substituted;

(2) section 66 shall be omitted.

(3) in the Schedule Part II shall be omitted.

**3. Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 6-A,-

(i) for sub-section (2), the following shall be substituted, namely:-

“(2) Every proprietor shall be deemed to have been assessed to tax based on the return submitted by him under sub-section (1), except in cases where the Commissioner may notify the requirement of production of accounts by the proprietor before the prescribed authority within a period of six months from the date of submitting the return, in support of a return submitted for any period and such authority shall proceed to assess such proprietor,-

(a) on the basis of the return submitted where it is satisfied the return submitted is correct and complete, or

(b) to the best of its judgment, where the return submitted appears to be incorrect or incomplete, after giving the proprietor a reasonable opportunity of showing cause against such assessment in writing.

Provided that nothing in this sub-section shall apply to a return submitted for any prescribed period upto the period ending 31st March, 2012.”

(ii) in sub-section (5), after the third proviso, the following proviso shall be inserted, namely:-

“Provided also that nothing in this sub-section shall apply to a return submitted for any prescribed period commencing after 1st April, 2012. ” ;

(2) after section 6-D, the following shall be inserted, namely:-

“**6-E. Registration of certain proprietors.-** (1) No proprietor of a cinema theatre or a video parlour shall run such cinema theatre or video parlour without registration under this Act.

(2) Every proprietor of a cinema theatre or video parlour liable to pay tax under this Act shall get himself registered by making an application in the prescribed form in such manner as may be prescribed.

Provided that the Commissioner may notify the website in which an application shall be made electronically.

(3) On receipt of an application to register, the prescribed authority shall register any such proprietor and granting him a certificate of registration if he satisfies that he complies with the requirements of this Act with effect from the date of commencement of entertainment.

(4) Every proprietor who is already paying tax under the Act shall be deemed to have been registered under this Act and he shall be granted a certificate of registration without making any application.

(5) The prescribed authority may for good and sufficient reasons, cancel any registration granted, on its own motion or on the application of the proprietor.

Provided that no registration granted shall be cancelled on its own motion without giving a reasonable opportunity to the proprietor"

**4. Amendment of Karnataka Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 6-A, in sub-section (1), the first proviso and the Explanation shall be omitted;

(2) Section 7-A shall be omitted; and

(3) in section 18-A, in sub-section (1), for the words "sixty days" occurring in two places, the words "one hundred and eighty days" shall be substituted.

**5. Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979),-

(1) in section 2, for clause (5-B), the following shall be substituted, namely:-

"(5-B) "**Marriage Hall"** means,-

(i) Kalyana Mantap, Shadi Mahal, Community Hall, a building or part of a building or a temporary structure or a property as defined in section 3 of the Transfer of Property Act, 1882 where accommodation is provided for marriage or reception or matters related therewith or for organizing any official, social or business function whether functions are conducted in such place regularly or not;

(ii) Seminar, convention, banquets, meeting or exhibition hall or a temporary structure or a property as defined in section 3 of the Transfer of Property Act, 1882 where accommodation is provided for marriage or reception or matters related therewith or for organizing any official, social or business function whether functions are conducted in such place regularly or not;

(iii) Any other place or temporary structure as may be specified by the Commissioner, where accommodation is provided for marriage or reception or matters related therewith or for organizing any official, social or business function whether functions are conducted in such place regularly or not."

(2) in section 6, for sub-sections (1) and (2), the following shall be substituted, namely:-

"(1) Every proprietor shall be deemed to have been assessed to tax based on the return submitted by him under sub-section (1) of section 5, except in cases where the Commissioner may notify the requirement of production of accounts by the proprietor before the Luxury Tax Officer within six months from the date of submitting the return, in support of a return submitted for any period and such authority shall proceed to assess such proprietor,-

(a) on the basis of the return submitted where he is satisfied the return submitted is correct and complete, or

(b) to the best of his judgment, where the return submitted appears to be incorrect or incomplete, after giving the proprietor a reasonable opportunity of showing cause against such assessment in writing.

Provided that nothing in this sub-section shall apply to a return submitted for any year upto the year ending 31st March, 2012."

**6. Amendment of Karnataka Act 27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), in section 15-A, in sub-section (1), for the words "one hundred and twenty days" occurring in two places, the words "one hundred and eighty days" shall be substituted.

By Order and in the name of the Governor of Karnataka,

**G.K. BOREGOWDA**
Secretary to Government,
Department of Parliamentary Affairs and Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು. (ಪಿ3) (400 ಪ್ರತಿಗಳು)

**KARNATAKA ACT NO 27 OF 2013**

# THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2013

**Arrangement of Sections**

**Sections:**


1. Short title and commencement
2. Amendment of Karnataka Act 35 of 1976
3. Amendment of Karnataka Act 27 of 1979


## STATEMENT OF OBJECTS AND REASONS

**Amending Act 27 of 2013.-** It is considered necessary to amend the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Hence the Bill.

[L.A. Bill No.9 of 2013, File No. Samvyashae 17 Shasana 2013]

[Entries 52 and 60 of List II of the Seventh Schedule to the Constitution of India.]

---

**KARNATAKA ACT NO 27 OF 2013**

(First Published in the Karnataka Gazette Extra-ordinary on the Eighth day of March, 2013)

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2013**

(Received the assent of the Governor on the fifth day of March, 2013)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty Fourth Year of the Republic of India, as follows.-

**1. Short title and commencement**.- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2013.

(2) It shall come into force with effect from the First day of April, 2013.

**2. Amendment of Karnataka Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in section 16, in sub-section (1), the proviso shall be omitted.

**3. Amendment of Karnataka Act 27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in section 3, in sub-section (7), for the words “two lakh rupees”, the words “five lakh rupees” shall be substituted;

(2) in section 4, in sub-section (1), in clause (b), for the words “two lakhs rupees”, the words “five lakh rupees” shall be substituted.

By Order and in the name of the Governor of Karnataka

**G.K. BOREGOWDA**

Secretary to Government,

Department of Parliamentary Affairs and Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು. (ಪಿ7) (400 ಪ್ರತಿಗಳು)

# KARNATAKA ACT NO 53 OF 2013

# THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2013

## Arrangement of Sections

**Sections:**


1. Short title and commencement
2. Amendment of Karnataka Act 25 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Karnataka Act 35 of 1976
5. Amendment of Karnataka Act 27 of 1979


## STATEMENT OF OBJECTS AND REASONS

**Amending Act 53 of 2013.-** It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith particularly to specify that any clarification issued by the Commissioner of Commercial Taxes under the Karnataka Sales Tax Act, 1957 or the Karnataka Tax on Entry of Goods Act, 1979 overrides the clarification of the Authority for Clarification and Advance Rulings.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 07 of 2013, File No. Samvyashae 36 Shasana 2013]

[Entries 52, 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

---

**KARNATAKA ACT NO 53 OF 2013**

(First Published in the Karnataka Gazette Extra-ordinary on the Thirty First day of July, 2013)

**THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2013**

(Received the assent of the Governor on the Thirty First day of July, 2013)

An Act further to amend certain taxation laws in force in the State of Karnataka.

Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Sixty Fourth year of the Republic of India, as follows.-

**1. Short title and commencement**.- (1) This Act may be called the Karnataka Taxation Laws (Second Amendment) Act, 2013.

(2) It shall come into force with effect from the First day of August, 2013.

**2. Amendment of Karnataka Act 25 of 1957.-** In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), in section 4, after sub-section (12), the following shall be inserted, namely:-

"(13) Notwithstanding any clarification or any ruling given by the 'Authority for Clarification and Advance Rulings' under sub-section (7) pertaining to any particular goods, the rate of tax payable in respect of such goods by the applicant shall be at such rate as may be clarified by the Commissioner under sub-section (2) of section 3-A, from the date of its publication in the official Gazette."

**3. Amendment of Karnataka Act 30 of 1958.-** In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), in section 4-AA, in the table,

(i) in the entries relating to serial number (a), in column (3), for the words "one rupee and fifty paise", the words "three rupees" shall be substituted;

(ii) in the entries relating to serial number (b), in column (3), for the words "one rupee", the words "two rupees" shall be substituted.

**4. Amendment of Karnataka Act 35 of 1976.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in the schedule, in the entries relating to serial number 4, in column (2), for the letters and figures "Rs. 36,000", occurring in two places, the letters and figures "Rs. 1,20,000" shall respectively be substituted.

**5. Amendment of Karnataka Act 27 of 1979.-** In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), in section 12-C, after sub-section (2), the following shall be inserted, namely:-

"(3) Notwithstanding any clarification or any ruling given by the 'Authority for Clarification and Advance Rulings' under sub-section (1) pertaining to any particular goods, the rate of tax payable in respect of such goods by the applicant shall be at such rate as may be clarified by the Commissioner under sub-section (7) of section 12, from the date of its publication in the official Gazette."

By Order and in the name of the Governor of Karnataka,

**K.S. MUDAGAL**

Secretary to Government (i/c)

Department of Parliamentary Affairs and Legislation

ಸರ್ಕಾರಿ ಮುದ್ರಣಾಲಯ, ವಿಕಾಸ ಸೌಧ ಘಟಕ, ಬೆಂಗಳೂರು. (ಪಿ7) (400 ಪ್ರತಿಗಳು)

**KARNATAKA ACT NO. 06 OF 2018**

# THE KARNATAKA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS (AMENDMENT) ACT, 2018

## Arrengment of Sections

**Sections:**


1. Short title and commencement
2. Amendment of section 3
3. Amendment of schedule


## STATEMENT OF OBJECTS AND REASONS

**Amending Act 06 of 2018.-** It is considered necessary to amend the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, to give effect to the proposal made in the Budget 2018-19 and matters connected therewith and specifically to,-

(i) enhance the turnover limit for levy of Profession Tax in respect of Contractors executing work contracts, Persons registered and Persons licenced or approved as Contractors in Railways, State or Central Government etc., in tune with the threshold limit for registration under the Karnataka Goods and Services Tax Act, 2017.

(ii) to exclude Agriculturists growing plantation crops as defined in the Agricultural Income-tax Act,1957 (Karnataka Act 22 of 1957) which has been repealed with effect from 01-04-2016 by the Karnataka Taxation Laws (Amendment) Act,2016 (KARNATAKA ACT NO.5 OF 2016).

(iii) to exclude Hindu Undivided Family, firm, company, corporation or other corporate body, any society, club or association who have attained the age of sixty years from the benefit of claiming exemption from Professional Tax under proviso to sub-section (2) of Section 3.

Hence the Bill.

[L.A. Bill No.59 of 2018, File No. Samvyashae 10 Shasana 2018]
[entry 60 of List II of the Seventh Schedule to the Constitution of India.]

# KARNATAKA ACT NO. 06 OF 2018

(First Published in the Karnataka Gazette Extra-ordinary on the 6th Day of March 2018)

## THE KARNATAKA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS (AMENDMENT) ACT, 2018

(Received the assent of the Governor on the 5th day of March 2018)

An Act further to amend the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.

Whereas it is expedient to amend the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the sixty-ninth year of the Republic of India, as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Tax on Professions, Trades, Callings and Employments (Amendment) Act, 2018.

(2) It shall come into force from the first day of April, 2018.

**2. Amendment of section 3.-** In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976) (hereinafter referred to as the principal Act), in section 3, in sub-section (2), for first proviso, the following shall be substituted, namely:-

"Provided that, no tax shall be payable by the individuals who are senior citizens having attained the age of sixty years:"

**3. Amendment of schedule.-** In schedule to the principal Act,-

(1) for the serial number 10 and the entries relating thereto, the following shall be substituted, namely:-

"

| | | |
|---|---|---|
| 10 | Contractors executing works contract as defined under the Karnataka Goods and Services Tax Act, 2017 where the total consideration in relation to the supply of goods or services or both in a year is Rs. 20 lakhs and above. | Rs.2,500 per annum |

"

(2) for the serial number 13 and the entries relating thereto, the following shall be substituted, namely:-

"

| | | |
|---|---|---|
| 13 | Persons registered or liable to be registered under the Karnataka Goods and Services Tax Act, 2017 where the total consideration in relation to the supply of goods or services or both in a year is Rs.20 lakhs and above. | Rs.2,500 per annum |

"

(3) the serial number 27 and the entries relating thereto, shall be omitted.

(4) for the serial number 46 and the entries relating thereto, the following shall be substituted, namely:-

"

| | | |
|---|---|---|
| 46 | Persons licensed or approved as contractors by the Railways, State or Central Government, Corporations, Local authorities or any other persons or Agency namely contractors constructing roads, dams, canals, bridges, culverts including civil or masonry work, railway sleeper contractors, forest contractors and electrical contractors where the total consideration in relation to the supply of goods or services or both under the Karnataka Goods and Services Tax Act, 2017 in a year is Rs.20 lakhs and above. | Rs.2,500 per annum |

"

By Order and in the name of
the Governor of Karnataka,

**K.DWARAKANATH BABU**
Secretary to Government
Department of Parliamentary
Affairs

# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

| ಭಾಗ – ೪ಎ<br>Part – IVA | ಬೆಂಗಳೂರು, ಮಂಗಳವಾರ, ೧೪, ಮಾರ್ಚ್, ೨೦೨೩(ಫಾಲ್ಗುಣ, ೨೩, ಶಕವರ್ಷ, ೧೯೪೪)<br>BENGALURU, TUESDAY, 14, MARCH, 2023(PHALGUNA, 23, SHAKAVARSHA, 1944) | ನಂ. ೧೧೩<br>No. 113 |
|---|---|---|


**PARLIAMENTARY AFFAIRS AND LEGISLATION SECRETARIAT**

**NOTIFICATION**

**NO: DPAL 06 SHASANA 2023, BENGALURU, DATED: 14.03.2023**

The Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Bill, 2023 ಇದಕ್ಕೆ 2023 ರ ಮಾರ್ಚ್ ತಿಂಗಳ 13 ನೇ ದಿನಾಂಕದಂದು **ರಾಜ್ಯಪಾಲರ ಒಪ್ಪಿಗೆ ದೊರೆತಿದ್ದು, ಸಾಮಾನ್ಯ ತಿಳುವಳಿಕೆಗಾಗಿ ಇದನ್ನು** 2023 **ರ ಕರ್ನಾಟಕ** ಅಧಿನಿಯಮ **ಸಂಖ್ಯೆ**: 14 **ಎಂಬುದಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ** (**ಭಾಗ** IV-A) **ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ.**

## KARNATAKA ACT NO. 14 OF 2023

(First Published in the Karnataka Gazette Extra-ordinary on the 14th day of March 2023)

### THE KARNATAKA TAX ON PROFESSION, TRADES, CALLINGS AND EMPLOYMENTS (AMENDMENT) ACT, 2023

(Received the assent of the Governor on the 13th day of March 2023)

An Act further to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976.

Whereas, it is expedient to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), for the purposes hereinafter appearing;

Be it enacted by Karnataka State Legislature in the Seventy-fourth year of the Republic of India as follows.-

**1. Short title and commencement**.- (1) This Act may be called the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2023.

(2) Save as otherwise provided, the provisions of this Act shall come into force with effect from the 1st day of April, 2023.

**2. Amendment of section 2**.-In the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976) (hereinafter referred to as the Principal Act), in section 2,-

(i) after clause (a), the following clauses shall be inserted, namely:-
"(aa) "agent" means a person who acts on behalf of another person in the course or furtherance of business;
(ab) "assessment" for the purposes of this Act, means determination of tax liability under this Act and includes self-assessment, reassessment and best judgment assessment;"; and

(ii) in clause (h), in the explanation after the words "Every branch of a", the words and punctuation mark "proprietary concern,", shall be inserted.

**3. Amendment of section 9**.- In section 9 of the Principal Act, in sub-section (2), for the words "not exceeding one and half times", the words "equal to one hundred per cent of" shall be substituted.

**4. Amendment of section 10**.-In section 10 of the Principal Act, in sub-section (6), for the figure and symbol "2%", the words "one and a half per cent", shall be substituted.

**5. Amendment of section 11**.-In section 11 of the Principal Act, in sub-section (2), for the words "one and a quarter per cent", the words "one and a half per cent", shall be substituted.

**6. Amendment of section 12**.-In section 12 of the Principal Act,-

(i) the words and punctuation mark ", without reasonable cause,", shall be omitted; and

(ii) for the words "not exceeding fifty percent", the words "equal to ten percent", shall be substituted.

**7. Substitution of Schedule**.- For Schedule of the Principal Act and the Explanations I to V thereunder, the following Schedule and Explanations shall be substituted, namely:-

"**SCHEDULE**

**[See section 3(2)]**

**Rates of tax on professions, trades, callings and employments**

| **Sl. No.** | **Class of Persons** | **Rate of tax** |
|---|---|---|
| (1) | (2) | (3) |
| 1 | Salary or wage earners whose salary or wage or both, as the case may be, for a month is Rs. 25,000-00 and above | Rs. 200-00 per month |
| 2 | Persons registered or liable to be registered under the Karnataka Goods and Services Tax Act, 2017 | Rs. 2,500-00 per annum |
| 3 | Self-employed persons engaged in Professions, Trades, Callings and Employments, with a standing in profession for more than 2 years, including Legal practitioners, Consultants, Agents, Chartered Accountants and Actuaries, Engineers, Health care professionals, Estate Agents or Brokers, Beauty parlours, dry cleaners and interior decorators, Journalists and Advertisement agencies, providing entertainment using Dish Antenna Cable TV, Computer Institutes selling time, Computer Training Institutes / Driving Institutes / Technical Training Institutes, Astrologers, Astropalmists, Numerologists, Vaastu consultants and Faith healers. | Rs. 2,500-00 per annum |
| 4 | Horse owners and the trainers, Jockeys, Directors, Actors and Actresses (Excluding Junior Artists), Owners of Oil Pumps and Service stations, gas stations, electric charging stations, Owners of Nursing homes, Hospitals, Diagnostic centres, Clinical laboratories and X-ray clinics, other than those run by the Central Government, State Government and local bodies, Owners of Gymnasium and Fitness centres. | Rs. 2,500-00 per annum |
| 5 | Educational Institutions and Tutorial Colleges or Institutes other than those run by the Central Government, State Government and local bodies. | Rs. 2,500-00 per annum |
| 6 | Employers of establishments defined under the Karnataka Shops and Commercial Establishments Act, 1961, employing more than five employees. | Rs. 2,500-00 per annum |
| 7 | Licensed dealers of liquors, Money lenders licensed under the Karnataka Money Lenders' Act, 1961,Individuals or institutions conducting chit funds | Rs. 2,500-00 per annum |
| 8 | Owners of transport vehicles(other than auto rickshaws) run on their own or through others under permits granted under the Motor Vehicles Act, 1988 (Central Act 59 of 1988); Goods transport agencies (GTA) and Transport contractors including forwarding and clearing agents. | Rs. 2,500-00 per annum |

| | | |
|---|---|---|
| | **Explanation-** For the purposes of this entry Goods Transport Agency or GTA means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called. | |
| 9 | Co-operative Societies registered under the Karnataka Co-operative Societies Act,1959 (Karnataka Act 11 of 1959) and engaged in any profession, trade or calling. | Rs. 2,500-00 per annum |
| 10 | Companies registered under the Companies Act, 2013 (Central Act 18 of 2013) and engaged in any profession, trade or calling; Banking companies as defined in the Banking Regulations Act, 1949 (Central Act 10 of 1949) **Explanation.-** For the purpose of this entry, 'banking companies' shall include any bank whose operations are governed by the provisions of the Banking Regulation Act,1949 (Central Act 10 of 1949) | Rs. 2,500-00 per annum |
| 11 | Persons other than those mentioned in any of the preceding entries who are engaged in any profession, trade, calling or employment and who are paying tax under the Income Tax Act, 1961 (Central Act 43 of 1961) | Rs. 2,500-00 per annum |
| 12 | Persons other than those mentioned in any of the preceding entries who are engaged in any profession, trade, calling or employment with a minimum of two years of standing and who are not exempted by Notification issued by the State Government from time to time. | Rs. 2,500-00 per annum |

**Explanation I.–** Notwithstanding anything in this Schedule, where a person is covered by more than one entry in the Schedule, tax is payable under any one of such entries.

**Explanation II.**– For the purposes of determining the liability of tax, in terms of Serial No. 4 in this Schedule, the higher number of workers and / or employees at any time during the year shall be reckoned as the basis.

**Explanation III.**– For the purposes of this Schedule where any asset or business is held on lease by a lessee, such lessee shall be deemed to be the person liable under the Act.

**Explanation IV.**– No tax shall be levied under this Act on any partner of a firm which is engaged in any profession, trade or calling if the tax is paid by such firm.

**Explanation V.**– Notwithstanding anything contained in the Schedule, every additional place of a person enumerated in any item of the Schedule shall be

deemed to be a separate person for the purpose of levy of Profession tax specified in the Schedule and nothing in this explanation shall be applicable in case of additional places of business which are exclusively used as godown for storing goods."

By Order and in the name of
the Governor of Karnataka,
**G.SRIDHAR**
Secretary to Government
Department of Parliamentary
Affairs and Legislation

**ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಸಚಿವಾಲಯ**
**ಅಧಿಸೂಚನೆ**
**ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 06 ಶಾಸನ 2023, ಬೆಂಗಳೂರು, ದಿನಾಂಕ:14.03.2023**

The Karnataka Official Language Act, 1963 (Karnataka Act 26 of 1963) ರ ಪ್ರಕರಣ 5-ಎ ರಡಿಯಲ್ಲಿ ರಾಜ್ಯಪಾಲರಿಂದ ಅಧಿಕೃತಗೊಳಿಸಿದ the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2023 (Karnataka Act 14 of 2023) ನ ಭಾಷಾಂತರವನ್ನು ಅಧಿಕೃತ ಕನ್ನಡ ಪಠ್ಯವೆಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ (**ಭಾಗ** IV-A) ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ.

## 2023ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 14

(2023ರ ಮಾರ್ಚ್ ತಿಂಗಳ 14ನೇ ದಿನಾಂಕದಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪತ್ರದ ವಿಶೇಷ ಸಂಚಿಕೆಯಲ್ಲಿ ಮೊದಲು ಪ್ರಕಟವಾಗಿದೆ)

## ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2023

(2023ರ ಮಾರ್ಚ್ ತಿಂಗಳ 13ನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರಿಂದ ಅನುಮೋದನೆಯನ್ನು ಪಡೆಯಲಾಗಿದೆ)

ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976ನ್ನು ಮತ್ತಷ್ಟು ತಿದ್ದುಪಡಿ ಮಾಡುವುದಕ್ಕಾಗಿ ಒಂದು ಅಧಿನಿಯಮ.

ಇಲ್ಲಿ ಇನ್ನುಮುಂದೆ ಕಂಡುಬರುವ ಉದ್ದೇಶಗಳಿಗಾಗಿ, ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976 (1976ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ 35)ನ್ನು ತಿದ್ದುಪಡಿ ಮಾಡುವುದು ಯುಕ್ತವಾಗಿರುವುದರಿಂದ;

ಇದು ಭಾರತ ಗಣರಾಜ್ಯದ ಎಪ್ಪತ್ತನಾಲ್ಕನೇ ವರ್ಷದಲ್ಲಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಿಧಾನಮಂಡಲದಿಂದ ಈ ಮುಂದಿನಂತೆ ಅಧಿನಿಯಮಿತವಾಗಲಿ.-

**1. ಸಂಕ್ಷಿಪ್ತ ಹೆಸರು ಮತ್ತು ಪ್ರಾರಂಭ.-** (1) ಈ ಅಧಿನಿಯಮವನ್ನು ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2023 ಎಂದು ಕರೆಯತಕ್ಕದ್ದು.

(2) ಅನ್ಯಥಾ ಉಪಬಂಧಿಸಿದುದನ್ನುಳಿದು, ಈ ಅಧಿನಿಯಮದ ಉಪಬಂಧಗಳು 2023ರ ಏಪ್ರಿಲ್, 1ನೇ ದಿನಾಂಕದಿಂದ ಜಾರಿಗೆ ಬರತಕ್ಕದ್ದು.

**2. ಪ್ರಕರಣ 2ರ ತಿದ್ದುಪಡಿ.-**ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976 (1976ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ 35)ರ (ಇಲ್ಲಿ ಇನ್ನುಮುಂದೆ ಮೂಲ ಅಧಿನಿಯಮ ಎಂದು ಉಲ್ಲೇಖಿಸಲಾಗಿದೆ) ಪ್ರಕರಣ 2ರಲ್ಲಿ,-

(i) ಖಂಡ (ಎ) ನಂತರ, ಈ ಮುಂದಿನ ಖಂಡಗಳನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(ಎಎ) "ಏಜೆಂಟ್" ಎಂದರೆ, ವ್ಯವಹಾರದ ಕ್ರಮದಲ್ಲಿ ಅಥವಾ ಮುಂದುವರಿಕೆಯಲ್ಲಿ ಇನ್ನೊಬ್ಬ ವ್ಯಕ್ತಿಯ ಪರವಾಗಿ ಕಾರ್ಯನಿರ್ವಹಿಸುವ ಒಬ್ಬವ್ಯಕ್ತಿ;

(ಎಬಿ) ಈ ಅಧಿನಿಯಮದ ಉದ್ದೇಶಗಳಿಗಾಗಿ, "ಕರನಿರ್ಧರಣೆ" ಎಂದರೆ, ಈ ಅಧಿನಿಯಮದ ಅಡಿಯಲ್ಲಿ ತೆರಿಗೆ ಬಾಧ್ಯತೆಯನ್ನು ನಿರ್ಧರಿಸುವುದು ಮತ್ತು ಸ್ವಯಂ-ಕರನಿರ್ಧರಣೆ, ಮರು-ಕರನಿರ್ಧರಣೆ ಮತ್ತು ಅತ್ಯುತ್ತಮ ವಿವೇಚನಾ ಕರನಿರ್ಧರಣೆಯನ್ನು ಒಳಗೊಳ್ಳುತ್ತದೆ;" ಮತ್ತು

(ii) ಖಂಡ (ಹೆಚ್)ರಲ್ಲಿ, ವಿವರಣೆಯಲ್ಲಿ, "ಪ್ರತಿಯೊಂದು" ಎಂಬ ಪದದ ತರುವಾಯ "ಮಾಲೀಕತ್ವದ ಘಟಕ" ಎಂಬುದನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು.

**3. ಪ್ರಕರಣ 9ರ ತಿದ್ದುಪಡಿ.-**ಮೂಲ ಅಧಿನಿಯಮದ ಪ್ರಕರಣ 9ರ ಉಪ-ಪ್ರಕರಣ (2)ರಲ್ಲಿ, "ಒಂದೂವರೆಯಷ್ಟಕ್ಕೆ ಮೀರದ" ಎಂಬ ಪದಗಳ ಬದಲಾಗಿ, "ಶೇಕಡ ನೂರರಷ್ಟಕ್ಕೆ ಸಮನಾದ" ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

**4. ಪ್ರಕರಣ 10ರ ತಿದ್ದುಪಡಿ.-**ಮೂಲ ಅಧಿನಿಯಮದ ಪ್ರಕರಣ 10ರ ಉಪ-ಪ್ರಕರಣ (6)ರಲ್ಲಿ, "2%" ಎಂಬ ಅಂಕಿ ಮತ್ತು ಚಿಹ್ನೆಯ ಬದಲಾಗಿ, "ಶೇಕಡಾ ಒಂದೂವರೆಯಷ್ಟು" ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

**5. ಪ್ರಕರಣ 11ರ ತಿದ್ದುಪಡಿ.-**ಮೂಲ ಅಧಿನಿಯಮದ ಪ್ರಕರಣ11ರ ಉಪ-ಪ್ರಕರಣ (2)ರಲ್ಲಿ, "ಶೇಕಡಾ ಒಂದೂ ಕಾಲಷ್ಟು" ಎಂಬ ಪದಗಳ ಬದಲಾಗಿ, "ಶೇಕಡಾ ಒಂದೂವರೆಯಷ್ಟು" ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

**6. ಪ್ರಕರಣ 12ರ ತಿದ್ದುಪಡಿ.-** ಮೂಲಅಧಿನಿಯಮದ ಪ್ರಕರಣ 12ರಲ್ಲಿ,-

(i) "ಯುಕ್ತ ಕಾರಣವಿಲ್ಲದೆ" ಎಂಬ ಪದಗಳನ್ನು ಬಿಟ್ಟುಬಿಡತಕ್ಕದ್ದು;

(ii) "ಶೇಕಡ ಐವತ್ತಕ್ಕೆ ಮೀರದ" ಎಂಬ ಪದಗಳ ಬದಲಾಗಿ, "ಶೇಕಡಾ ಹತ್ತರಷ್ಟಕ್ಕೆ ಸಮನಾದ" ಎಂಬ ಪದಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು.

**7. ಅನುಸೂಚಿಯ ಪ್ರತಿಯೋಜನೆ.-** ಮೂಲ ಅಧಿನಿಯಮದಲ್ಲಿ, ಅದರ ಅನುಸೂಚಿ ಮತ್ತು ವಿವರಣೆ I ರಿಂದ Vರ ಬದಲಿಗೆ ಈ ಮುಂದಿನ ಅನುಸೂಚಿ ಮತ್ತು ವಿವರಣೆಗಳನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಅಂದರೆ:-

**"ಅನುಸೂಚಿ**
**(ಪ್ರಕರಣ 3(2)ನ್ನು ನೋಡಿ)**

**ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆಯ ದರಗಳು**

| ಕ್ರಮ ಸಂಖ್ಯೆ | ವ್ಯಕ್ತಿಗಳ ವರ್ಗ | ತೆರಿಗೆಯ ದರ |
|---|---|---|
| (1) | (2) | (3) |
| 1 | ಒಂದು ತಿಂಗಳಿಗೆ ರೂ. 25,000-00 ಮತ್ತು ಹೆಚ್ಚಿನ ಸಂದರ್ಭಾನುಸಾರವಾಗಿ, ಸಂಬಳ ಅಥವಾ ಮಜೂರಿಯನ್ನು ಅಥವಾ ಇವೆರಡನ್ನೂ ಪಡೆಯವ ವ್ಯಕ್ತಿಗಳು | ತಿಂಗಳಿಗೆ ರೂ.200-00 |
| 2 | ಕರ್ನಾಟಕ ಸರಕು ಮತ್ತು ಸೇವೆಗಳ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 2017 ರಡಿಯಲ್ಲಿ ನೋಂದಾಯಿಸಿದ ಅಥವಾ ನೋಂದಣಿ ಪಡೆಯಲು ಬಾಧ್ಯರಾಗಿರುವ ವ್ಯಕ್ತಿಗಳು | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 3 | ಕಾನೂನು ವೃತ್ತಿನಿರತರು, ಸಮಾಲೋಚಕರು, ಏಜೆಂಟ್‌ರು, ಚಾರ್ಟರ್ಡ್ ಅಕೌಂಟೆಂಟ್‌ಗಳು ಮತ್ತು ವಿಮಾಗಣಕರು (actuaries), ಇಂಜಿನಿಯರ್‌ಗಳು, ಆರೋಗ್ಯಪಾಲನಾ ವೃತ್ತಿಪರರು, ಎಸ್ಟೇಟ್ ಏಜೆಂಟ್‌ರು ಅಥವಾ ದಳ್ಳಾಳಿಗಳು, ಬ್ಯೂಟಿ ಪಾರ್ಲರ್‌ಗಳು, ಡ್ರೈಕ್ಲೀನರ್ಸ್ ಮತ್ತು ಆಂತರಿಕ ವಿನ್ಯಾಸಕಾರರು, ಪತ್ರಕರ್ತಕರುಗಳು ಮತ್ತು ಜಾಹೀರಾತು ಏಜೆನ್ಸಿಗಳು. ಡಿಶ್, ಆಂಟೆನಾ ಕೇಬಲ್ ಟಿವಿ ಬಳಸಿ ಮನರಂಜನೆಯನ್ನು ಒದಗಿಸುವವರು, ಅವಧಿ ಕಾಲ ಬಳಕೆ ಮಾರಾಟದ (selling timing) ಗಣಕಯಂತ್ರ ಸಂಸ್ಥೆಗಳು, ಗಣಕಯಂತ್ರ ತರಬೇತಿ ಸಂಸ್ಥೆಗಳು / ಚಾಲನಾ | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |

| | | |
|---|---|---|
| | (driving) ಸಂಸ್ಥೆಗಳು / ತಾಂತ್ರಿಕ ತರಬೇತಿ ಸಂಸ್ಥೆಗಳು, ಜ್ಯೋತಿಷಿಗಳು, ಹಸ್ತ ಸಾಮುದ್ರಿಕ ಶಾಸ್ತ್ರಜ್ಞರು (astro palmist), ಸಂಖ್ಯಾ ಶಾಸ್ತ್ರಜ್ಞರು (numerologist), ವಾಸ್ತು ಸಲಹೆಗಾರರು ಮತ್ತು ನಂಬಿಕೆಯಾಧಾರಿತ ಚಿಕಿತ್ಸಕರನ್ನು (faith healers) ಒಳಗೊಂಡಂತೆ ವೃತ್ತಿಗಳು, ಕಸುಬುಗಳು, ಆಜೀವಿಕೆಗಳು ಮತ್ತು ಉದ್ಯೋಗಗಳಲ್ಲಿ, ಎರಡು ವರ್ಷಗಳಿಗಿಂತ ಹೆಚ್ಚು ಕಾಲ ತೊಡಗಿಸಿಕೊಂಡಿರುವ ಸ್ವಯಂ ಉದ್ಯೋಗಿ ವ್ಯಕ್ತಿಗಳು. | |
| 4 | ಕುದುರೆಗಳ ಮಾಲೀಕರು ಮತ್ತು ತರಬೇತಿದಾರರು, ಜಾಕಿಗಳು, ನಿರ್ದೇಶಕರು, ನಟ ಮತ್ತು ನಟಿಯರು (ಕಿರಿಯ ಕಲಾವಿದರನ್ನು ಹೊರತುಪಡಿಸಿ), ಆಯಿಲ್ ಪಂಪ್‌ಗಳು ಮತ್ತು ಸೇವಾ ಕೇಂದ್ರಗಳು, ಗ್ಯಾಸ್ ಸ್ಟೇಷನ್‌ಗಳು, ಎಲೆಕ್ಟ್ರಿಕ್ ಚಾರ್ಜಿಂಗ್ ಸ್ಟೇಷನ್‌ಗಳ ಮಾಲೀಕರು, ಕೇಂದ್ರ ಸರ್ಕಾರ, ರಾಜ್ಯ ಸರ್ಕಾರ ಮತ್ತು ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಗಳು ನಡೆಸುತ್ತಿರುವುದನ್ನು ಹೊರತುಪಡಿಸಿದ ನರ್ಸಿಂಗ್ ಹೋಮ್‌ಗಳು, ಆಸ್ಪತ್ರೆಗಳು, ರೋಗಪತ್ತೆ ಕೇಂದ್ರಗಳು, ಕ್ಲಿನಿಕಲ್ ಲ್ಯಾಬೋರೇಟರಿಗಳು ಮತ್ತು ಎಕ್ಸ್‌ರೇ ಕ್ಲಿನಿಕ್‌ಗಳ ಮಾಲೀಕರು, ದೈಹಿಕ ವ್ಯಾಯಾಮ ಮತ್ತು ಸುಸ್ಥಿತಿ ಕೇಂದ್ರಗಳ ಮಾಲೀಕರು | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 5 | ಕೇಂದ್ರ ಸರ್ಕಾರ, ರಾಜ್ಯ ಸರ್ಕಾರ ಮತ್ತು ಸ್ಥಳೀಯ ಸಂಸ್ಥೆಗಳು ನಡೆಸುತ್ತಿರುವುದನ್ನು ಹೊರತುಪಡಿಸಿದ, ಶಿಕ್ಷಣ ಸಂಸ್ಥೆಗಳು ಮತ್ತು ಟ್ಯೂಟೋರಿಯಲ್ ಕಾಲೇಜುಗಳು ಅಥವಾ ಸಂಸ್ಥೆಗಳು. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 6 | ಕರ್ನಾಟಕ ಅಂಗಡಿಗಳು ಮತ್ತು ವಾಣಿಜ್ಯ ಸಂಸ್ಥೆಗಳ ಅಧಿನಿಯಮ, 1961ರ ಅಡಿಯಲ್ಲಿ ಪರಿಭಾಷಿಸಲಾದ ಐದಕ್ಕಿಂತ ಹೆಚ್ಚು ಉದ್ಯೋಗಿಗಳನ್ನು ನೇಮಿಸಿಕೊಂಡಿರುವ ಸಂಸ್ಥೆಗಳ ಉದ್ಯೋಗದಾತರು. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 7 | ಪರವಾನಿಗೆ ಪಡೆದ ಮದ್ಯ ಮಾರಾಟಗಾರರು, ಕರ್ನಾಟಕ ಲೇವಾದೇವಿದಾರರ ಅಧಿನಿಯಮ, 1961ರಡಿಯಲ್ಲಿ ಪರವಾನಗಿ ಪಡೆದ ಲೇವಾದೇವಿದಾರರು, ಚಿಟ್‌ಫಂಡ್ ನಡೆಸುತ್ತಿರುವ ವ್ಯಕ್ತಿಗಳು ಅಥವಾ ಸಂಸ್ಥೆಗಳು. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 8 | ಮೋಟಾರು ವಾಹನಗಳ ಅಧಿನಿಯಮ 1988 (1988 ಕೇಂದ್ರ ಅಧಿನಿಯಮ 59)ರಡಿಯಲ್ಲಿ ಸ್ವಂತ ಅಥವಾ ಬಾಡಿಗೆಗೆ ಉಪಯೋಗಿಸಲಾಗುವ, ಸಾರಿಗೆ ವಾಹನಗಳ ಕೊಡಲಾದ ಪರ್ಮಿಟ್ಟುಗಳನ್ನು ಹೊಂದಿರುವ, ಸಾರಿಗೆ ವಾಹನಗಳ ಮಾಲೀಕರು (ಆಟೋ ರಿಕ್ಷಾಗಳನ್ನು ಹೊರತುಪಡಿಸಿ); ಸರಕು ಸಾರಿಗೆ ಏಜನ್ಸಿಗಳು (ಜಿಟಿಎ) ಮತ್ತು ರವಾನೆ ಮತ್ತು ತೀರಿಕೆ ಏಜೆಂಟರನ್ನು ಒಳಗೊಂಡಂತೆ ಸಾರಿಗೆ ಗುತ್ತಿಗೆದಾರರು.<br>**ವಿವರಣೆ-** ಈ ನಮೂದಿನ ಉದ್ದೇಶಕ್ಕಾಗಿ, ಸರಕು ಸಾರಿಗೆ ಏಜನ್ಸಿ (ಜಿಟಿಎ) ಎಂದರೆ ರಸ್ತೆಯ ಮೂಲಕ ಸರಕುಗಳ ಸಾಗಾಣಿಕೆಗೆ ಸಂಬಂಧಿಸಿದಂತೆ, ಸೇವೆಯನ್ನು ಒದಗಿಸುವ ಮತ್ತು ಯಾವುದೇ ಹೆಸರಿನಿಂದ ಕರೆಯಲಾಗುವ ಸರಕು ರವಾನೆ ಪತ್ರವನ್ನು (consignment note) ನೀಡುವ ಯಾವುದೇ ವ್ಯಕ್ತಿ. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 9 | ಕರ್ನಾಟಕ ಸಹಕಾರ ಸಂಘಗಳ ಅಧಿನಿಯಮ, 1959 (1959ರ ಕರ್ನಾಟಕದ ಅಧಿನಿಯಮ 11) ಮೇರೆಗೆ ನೋಂದಾಯಿಸಲಾದ ಸಹಕಾರಿ ಸಂಘಗಳು ಮತ್ತು ಯಾವುದೇ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ ಅಥವಾ ಆಜೀವಿಕೆಗಳಲ್ಲಿ ತೊಡಗಿರುವವರು. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |

| | | |
|---|---|---|
| 10 | ಕಂಪನಿಗಳ ಅಧಿನಿಯಮ, 2013ರ (2013ರ ಕೇಂದ್ರ ಅಧಿನಿಯಮ 18) ಮೇರೆಗೆ ನೋಂದಾಯಿಸಲಾದ ಮತ್ತು ಯಾವುದೇ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ ಅಥವಾ ಆ ಜೀವಿಕೆಗಳಲ್ಲಿ ತೊಡಗಿರುವ ಕಂಪನಿಗಳು; ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣದ ಅಧಿನಿಯಮ, 1949ರಲ್ಲಿ ಪರಿಭಾಷಿಸಲಾದ ಬ್ಯಾಂಕಿಂಗ್ ಕಂಪನಿಗಳು.<br>**ವಿವರಣೆ.-** ಈ ನಮೂದಿನ ಉದ್ದೇಶಕ್ಕಾಗಿ, "ಬ್ಯಾಂಕಿಂಗ್ ಕಂಪನಿಗಳು" ಎಂದರೆ, ಬ್ಯಾಂಕಿಂಗ್ ನಿಯಂತ್ರಣ ಅಧಿನಿಯಮ, 1949ರ (1949ರ ಕೇಂದ್ರ ಅಧಿನಿಯಮ 10) ಉಪಬಂಧದ ಮೂಲಕ ಕಾರ್ಯಾಚರಣೆಯನ್ನು ನಿರ್ವಹಿಸುವ ಯಾವುದೇ ಬ್ಯಾಂಕ್‌ನ್ನು ಒಳಗೊಳ್ಳುವುದು. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 11 | ಹಿಂದಿನ ಯಾವುದೇ ನಮೂದುಗಳಲ್ಲಿ ನಮೂದಿಸಿರುವ ವ್ಯಕ್ತಿಗಳನ್ನು ಹೊರತುಪಡಿಸಿ, ಯಾವುದೇ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಅಥವಾ ಉದ್ಯೋಗಗಳಲ್ಲಿ ನಿರತರಾಗಿರುವ ಮತ್ತು ಆದಾಯ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1961 (1961ರ ಕೇಂದ್ರ ಅಧಿನಿಯಮ 43)ರ ಅಡಿಯಲ್ಲಿ ತೆರಿಗೆ ಪಾವತಿಸುವ ವ್ಯಕ್ತಿಗಳು. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |
| 12 | ಯಾವುದೇ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಅಥವಾ ಉದ್ಯೋಗಗಳಲ್ಲಿ ನಿರತರಾಗಿರುವ ಹಿಂದಿನ ಯಾವುದೇ ನಮೂದುಗಳಲ್ಲಿ ನಮೂದಿಸಿದ ವ್ಯಕ್ತಿಗಳನ್ನು ಹೊರತುಪಡಿಸಿ, ಕನಿಷ್ಟ ಎರಡು ವರ್ಷಗಳ ಕಾಲಾವಧಿಯೊಂದಿಗೆ ಮತ್ತು ರಾಜ್ಯ ಸರ್ಕಾರವು ಕಾಲಕಾಲಕ್ಕೆ ಹೊರಡಿಸಿದ ಅಧಿಸೂಚನೆಯಲ್ಲಿ ವಿನಾಯಿತಿಯನ್ನು ಪಡೆಯದಿರುವ ವ್ಯಕ್ತಿಗಳು. | ವರ್ಷಕ್ಕೆ ರೂ.2,500-00 |

**ವಿವರಣೆ I. -** ಈ ಅನುಸೂಚಿಯಲ್ಲಿ ಏನೇ ಇದ್ದರೂ, ಒಬ್ಬ ವ್ಯಕ್ತಿಯು ಅನುಸೂಚಿಯಲ್ಲಿ ಒಂದಕ್ಕಿಂತ ಹೆಚ್ಚು ನಮೂದುಗಳಲ್ಲಿ ಸೇರಿದ್ದರೆ, ಅಂತಹ ಯಾವುದೇ ಒಂದು ನಮೂದಿನ ಅಡಿಯಲ್ಲಿ ತೆರಿಗೆಯನ್ನು ಪಾವತಿಸತಕ್ಕದ್ದು.

**ವಿವರಣೆ II. -** ಈ ಅನುಸೂಚಿಯಲ್ಲಿ 4ನೇ ಕ್ರಮ ಸಂಖ್ಯೆಯ ಪ್ರಕಾರ ತೆರಿಗೆಯ ಹೊಣೆಗಾರಿಕೆಯನ್ನು ನಿರ್ಧರಿಸುವ ಉದ್ದೇಶಗಳಿಗಾಗಿ, ವರ್ಷದ ಯಾವುದೇ ಸಮಯದಲ್ಲಿರುವ ಕೆಲಸಗಾರರ ಮತ್ತು/ಅಥವಾ ಉದ್ಯೋಗಿಗಳ ಅತ್ಯಂತ ಹೆಚ್ಚಿನ ಸಂಖ್ಯೆಯ ಆಧಾರವೆಂಬುದಾಗಿ ಪರಿಗಣಿಸತಕ್ಕದ್ದು.

**ವಿವರಣೆ III. -** ಈ ಅನುಸೂಚಿಯ ಉದ್ದೇಶಗಳಿಗಾಗಿ, ಯಾವುದೇ ಆಸ್ತಿಯನ್ನು ಅಥವಾ ವ್ಯವಹಾರವನ್ನು, ಗುತ್ತಿಗೆದಾರರನ್ನು ಗುತ್ತಿಗೆಗೆ ಪಡೆದಿದ್ದಲ್ಲಿ ಅಂಥ ಗುತ್ತಿಗೆದಾರನು ಈ ಅಧಿನಿಯಮದಡಿಯಲ್ಲಿ ಹೊಣೆಗಾರನಾದ ವ್ಯಕ್ತಿ ಎಂದು ಭಾವಿಸತಕ್ಕದ್ದು."

**ವಿವರಣೆ IV. -** ಯಾವುದೇ ವೃತ್ತಿ, ಕಸುಬು ಅಥವಾ ಆಜೀವಿಕೆಯಲ್ಲಿ ತೊಡಗಿರುವ ಸಂಸ್ಥೆಯ ಯಾವುದೇ ಪಾಲುದಾರರ ಮೇಲೆ, ಅಂತಹ ಸಂಸ್ಥೆಯು ತೆರಿಗೆಯನ್ನು ಪಾವತಿಸಿದ್ದರೆ, ಈ ಅಧಿನಿಯಮದ ಅಡಿಯಲ್ಲಿ ಯಾವುದೇ ತೆರಿಗೆಯನ್ನು ವಿಧಿಸತಕ್ಕದ್ದಲ್ಲ.

R.N.I. No. KARBIL/2001/47147 POSTAL REGN. No. RNP/KA/BGS/2202/2017-19
Licensed to post without prepayment WPP No. 297



**ವಿವರಣೆ V. -** ಈ ಅನುಸೂಚಿಯಲ್ಲಿ ಏನೇ ಒಳಗೊಂಡಿದ್ದರೂ, ಅನುಸೂಚಿಯ ಯಾವುದೇ ಅಂಶದಲ್ಲಿ ನಮೂದಿಸಲಾದ ವ್ಯಕ್ತಿಯ ಪ್ರತಿಯೊಂದು ಹೆಚ್ಚುವರಿ ಸ್ಥಳವನ್ನು, ಅನುಸೂಚಿಯಲ್ಲಿ ನಿರ್ದಿಷ್ಟಪಡಿಸಿದ ವೃತ್ತಿ ತೆರಿಗೆಯನ್ನು ವಿಧಿಸುವ ಉದ್ದೇಶಕ್ಕಾಗಿ, ಪ್ರತ್ಯೇಕ ವ್ಯಕ್ತಿ ಎಂದು ಭಾವಿಸತಕ್ಕದ್ದು ಮತ್ತು ಸರಕುಗಳನ್ನು ಸಂಗ್ರಹಿಸಲು ಗೋದಾಮಿನಂತೆ ವಿಶೇಷವಾಗಿ ಬಳಸಲಾಗುವ ಹೆಚ್ಚುವರಿ ವ್ಯವಹಾರ ಸ್ಥಳಗಳ ಸಂದರ್ಭದಲ್ಲಿ ಈ ವಿವರಣೆಯಲ್ಲಿರುವುದಾವುದೂ ಅನ್ವಯವಾಗತಕ್ಕದ್ದಲ್ಲ.

The above translation of the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2023 (Karnataka Act 14 of 2023) shall be authoritative text in Kannada language under section 5-A of the Karnataka Official Language Act, 1963 (Karnataka Act 26 of 1963).

**ಥಾವರ್‌ಚಂದ್ ಗೆಹ್ಲೋಟ್**
**ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರು**

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ,

**ಜಿ.ಶ್ರೀಧರ್**
ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ,
ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು
ಶಾಸನ ರಚನೆ ಇಲಾಖೆ.

ಮುದ್ರಕರು ಹಾಗೂ ಪ್ರಕಾಶಕರು:- ಸಂಕಲನಾಧಿಕಾರಿಗಳು, ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ, ಸರ್ಕಾರಿ ಕೇಂದ್ರ ಮುದ್ರಣಾಲಯ, ಬೆಂಗಳೂರು

# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

| | | |
|---|---|---|
| ಭಾಗ – ೪ ಎ<br>Part – IVA | ಬೆಂಗಳೂರು, ಮಂಗಳವಾರ, ೧೫, ಏಪ್ರಿಲ್, ೨೦೨೫(ಚೈತ್ರ, ೨೫, ಶಕವರ್ಷ, ೧೯೪೭)<br>BENGALURU, TUESDAY, 15, APRIL, 2025(CHAITHRA, 25, SHAKAVARSHA, 1947) | ನಂ. ೨೩೨<br>No. 232 |


**PARLIAMENTARY AFFAIRS AND LEGISLATION SECRETARIAT**

**NOTIFICATION**

**NO: DPAL 08 SHASANA 2025, BENGALURU, DATED: 15.04.2025**

The Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Bill, 2025 ಇದಕ್ಕೆ 2025ರ ಏಪ್ರಿಲ್ ತಿಂಗಳ 10ನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರ ಒಪ್ಪಿಗೆ ದೊರೆತಿದ್ದು, ಸಾಮಾನ್ಯ ತಿಳುವಳಿಕೆಗಾಗಿ ಇದನ್ನು 2025ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ:33 ಎಂಬುದಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ರಾಜ್ಯಪತ್ರಿಕೆ (ಭಾಗ-IV) ಯಲ್ಲಿ ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ,-

**KARNATAKA ACT NO.33 OF 2025**

(First Published in the Karnataka Gazette Extra-ordinary on the 15th day of April, 2025)

## THE KARNATAKA TAX ON PROFESSION, TRADES, CALLINGS AND EMPLOYMENTS (AMENDMENT) ACT, 2025

(Received the assent of the Governor on the 10th day of April, 2025)

An Act further to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976.

Whereas it is expedient to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), for the purpose hereinafter appearing;

Be it enacted by Karnataka State Legislature in the Seventy-sixth year of the Republic of India as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2025.

(2) It shall come into force with effect from the first day of April, 2025.

**2. Amendment of Schedule.-** In the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in the schedule, in serial number 1, for the entries relating to the column number (3),the following shall be substituted, namely:-

"(i) Rs.200-00 per month (except for the month of February);

(ii) Rs.300-00 for the month of February".

By Order and in the name of
the Governor of Karnataka,

**G. SRIDHAR**
Secretary to Government
Department of Parliamentary
Affairs and Legislation

**ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಸಚಿವಾಲಯ**
**ಅಧಿಸೂಚನೆ**
**ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 08 ಶಾಸನ 2025, ಬೆಂಗಳೂರು, ದಿನಾಂಕ:15.04.2025.**

The Kannada Language Comprehensive Development Act, 2022 (Karnataka Act No. 13 of 2023)ರ ಪ್ರಕರಣ 6 ರಡಿಯಲ್ಲಿ ರಾಜ್ಯಪಾಲರಿಂದ ಅಧಿಕೃತಗೊಳಿಸಿದ the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2025 (Karnataka Act No 33 of 2025) ನ ಭಾಷಾಂತರವನ್ನು ಅಧಿಕೃತ ಕನ್ನಡ ಪಠ್ಯವೆಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ (ಭಾಗ IV-A) ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ,-

**2025ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 33**

(2025 ರ ಏಪ್ರಿಲ್ ತಿಂಗಳ 15ನೇ ದಿನಾಂಕದಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ಸಂಚಿಕೆಯಲ್ಲಿ ಮೊದಲು ಪ್ರಕಟವಾಗಿದೆ)

**ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2025**

(2025 ರ ಏಪ್ರಿಲ್ ತಿಂಗಳ 10ನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರಿಂದ ಒಪ್ಪಿಗೆಯನ್ನು ಪಡೆಯಲಾಗಿದೆ)

ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976ನ್ನು ಮತ್ತಷ್ಟು ತಿದ್ದುಪಡಿ ಮಾಡುವುದಕ್ಕಾಗಿ ಒಂದು ಅಧಿನಿಯಮ.

ಇಲ್ಲಿ ಇನ್ನುಮುಂದೆ ಕಂಡುಬರುವ ಉದ್ದೇಶಗಳಿಗಾಗಿ, ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976 (1976ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ 35)ನ್ನು ತಿದ್ದುಪಡಿ ಮಾಡುವುದು ಯುಕ್ತವಾಗಿರುವುದರಿಂದ;

ಇದು ಭಾರತ ಗಣರಾಜ್ಯದ ಎಪ್ಪತ್ತಾರನೇ ವರ್ಷದಲ್ಲಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಿಧಾನಮಂಡಲದಿಂದ ಈ ಮುಂದಿನಂತೆ ಅಧಿನಿಯಮಿತವಾಗಲಿ.-

**1. ಸಂಕ್ಷಿಪ್ತ ಹೆಸರು ಮತ್ತು ಪ್ರಾರಂಭ.-** (1)ಈ ಅಧಿನಿಯಮವನ್ನು ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2025 ಎಂದು ಕರೆಯತಕ್ಕದ್ದು.

(2) ಇದು 2025ರ ಏಪ್ರಿಲ್, ಮೊದಲನೇ ದಿನಾಂಕದಿಂದ ಜಾರಿಗೆ ಬರತಕ್ಕದ್ದು.

**2. ಅನುಸೂಚಿಯ ತಿದ್ದುಪಡಿ.-** ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976 (1976ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ 35)ರ ಅನುಸೂಚಿಯಲ್ಲಿನ ಕ್ರಮ ಸಂಖ್ಯೆ 1ರಲ್ಲಿ, (3)ನೇ ಕಾಲಂನಲ್ಲಿನ ನಮೂದುಗಳಿಗೆ ಬದಲಾಗಿ ಈ ಮುಂದಿನದನ್ನು ಪ್ರತಿಯೋಜಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"(i) ತಿಂಗಳಿಗೆ ರೂ.200-00 (ಫೆಬ್ರವರಿ ತಿಂಗಳನ್ನು ಹೊರತುಪಡಿಸಿ)

(ii) ಫೆಬ್ರವರಿ ತಿಂಗಳಿಗೆ ರೂ.300-00".

R.N.I. No. KARBIL/2001/47147 POSTAL REGN. No. RNP/KA/BGS/2202/2017-19
Licensed to post without prepayment WPP No. 297



The above translation of the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2025 (Karnataka Act 33 of 2025) shall be an authoritative text in Kannada language under section 6 of the Kannada Language Comprehensive Development Act, 2022 (Karnataka Act No. 13 of 2023).

**ಥಾವರ್‌ಚಂದ್ ಗೆಹ್ಲೋಟ್**
ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರು

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ,

**ಜಿ. ಶ್ರೀಧರ್**
ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ,
ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು
ಶಾಸನ ರಚನೆ ಇಲಾಖೆ.

ಮುದ್ರಕರು ಹಾಗೂ ಪ್ರಕಾಶಕರು:– ಸಂಕಲನಾಧಿಕಾರಿಗಳು, ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ, ಸರ್ಕಾರಿ ಕೇಂದ್ರ ಮುದ್ರಣಾಲಯ, ಬೆಂಗಳೂರು

THAMMAIAH

# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

| ಭಾಗ – ೪ಎ<br>Part – IVA | ಬೆಂಗಳೂರು, ಶುಕ್ರವಾರ, ೨೭, ಮಾರ್ಚ್, ೨೦೨೬(ಚೈತ್ರ, ೦೬, ಶಕವರ್ಷ, ೧೯೪೮)<br>BENGALURU, FRIDAY , 27, MARCH, 2026(CHAITHRA, 06, SHAKAVARSHA, 1948) | ನಂ. ೨೫೦<br>No. 250 |
|---|---|---|


**PARLIAMENTARY AFFAIRS AND LEGISLATION SECRETARIAT**

**NOTIFICATION**

**NO: DPAL 08 SHASANA 2026, BENGALURU, DATED: 27.03.2026**

The Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Bill, 2026 ಇದಕ್ಕೆ 2026ರ ಮಾರ್ಚ್ ತಿಂಗಳ 27ನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರ ಒಪ್ಪಿಗೆ ದೊರೆತಿದ್ದು, ಸಾಮಾನ್ಯ ತಿಳುವಳಿಕೆಗಾಗಿ ಇದನ್ನು 2026ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ:22 ಎಂಬುದಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ರಾಜ್ಯಪತ್ರಿಕೆ (ಭಾಗ-IVA) ಯಲ್ಲಿ ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ,-

**KARNATAKA ACT NO. 22 OF 2026**

(First Published in the Karnataka Gazette Extra-ordinary on the 27th day of March 2026)

**KARNATAKA TAX ON PROFESSION, TRADES, CALLINGS AND EMPLOYMENTS (AMENDMENT) ACT, 2026**

(Received the assent of the Governor on the 27th day of March 2026)

An Act further to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976.

Whereas, it is expedient further to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), for the purposes hereinafter appearing;

Be it enacted by Karnataka State Legislature in the Seventy seventh year of the Republic of India as follows.-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2026.

(2) It shall come into force with effect from the first day of April, 2026.

**2. Amendment of section 10.-** In the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in section 10, in sub-section (1), after the second proviso the following provisos shall be inserted, namely:-

"Provided also that, every enrolled person who has paid the tax payable by him under this Act for a year shall be deemed to have furnished the return for that year.

Provided also that, the commissioner may, by notification, exempt any class of enrolled persons from furnishing the return, subject to such conditions and safeguards as may be specified in such notification."

By Order and in the name of
the Governor of Karnataka,

**G. SRIDHAR**
Secretary to Government
Department of Parliamentary
Affairs and Legislation

**ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಸಚಿವಾಲಯ**
**ಅಧಿಸೂಚನೆ**
**ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 08 ಶಾಸನ 2026, ಬೆಂಗಳೂರು, ದಿನಾಂಕ:27.03.2026.**

The Kannada Language Comprehensive Development Act, 2022 (Karnataka Act No. 13 of 2023)ರ ಪ್ರಕರಣ 6 ರಡಿಯಲ್ಲಿ ರಾಜ್ಯಪಾಲರಿಂದ ಅಧಿಕೃತಗೊಳಿಸಿದ the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2026 (Karnataka Act No 22 of 2026) ನ ಭಾಷಾಂತರವನ್ನು ಅಧಿಕೃತ ಕನ್ನಡ ಪಠ್ಯವೆಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ (ಭಾಗ IVA) ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ,-

**2026 ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 22**
(2026ರ ಮಾರ್ಚ್ ತಿಂಗಳ 27 ನೇ ದಿನಾಂಕದಂದು ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದ ವಿಶೇಷ ಸಂಚಿಕೆಯಲ್ಲಿ ಮೊದಲು ಪ್ರಕಟವಾಗಿದೆ)

**ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2026**
(2026ರ ಮಾರ್ಚ್ ತಿಂಗಳ 27 ನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರಿಂದ ಒಪ್ಪಿಗೆಯನ್ನು ಪಡೆಯಲಾಗಿದೆ)

ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976ನ್ನು ಮತ್ತಷ್ಟು ತಿದ್ದುಪಡಿ ಮಾಡುವುದಕ್ಕಾಗಿ ಒಂದು ಅಧಿನಿಯಮ.

ಇಲ್ಲಿ ಇನ್ನುಮುಂದೆ ಕಂಡುಬರುವ ಉದ್ದೇಶಗಳಿಗಾಗಿ, ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976 (1976ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ 35)ನ್ನು ಮತ್ತಷ್ಟು ತಿದ್ದುಪಡಿ ಮಾಡುವುದು ಯುಕ್ತವಾಗಿರುವುದರಿಂದ;

R.N.I. No. KARBIL/2001/47147 POSTAL REGN. No. RNP/KA/BGS/2202/2017-19
Licensed to post without prepayment WPP No. 297



ಇದು ಭಾರತ ಗಣರಾಜ್ಯದ ಎಪ್ಪತ್ತೇಳನೇ ವರ್ಷದಲ್ಲಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಿಧಾನಮಂಡಲದಿಂದ ಈ ಮುಂದಿನಂತೆ ಅಧಿನಿಯಮಿತವಾಗಲಿ.-

**1. ಸಂಕ್ಷಿಪ್ತ ಹೆಸರು ಮತ್ತು ಪ್ರಾರಂಭ.-** (1) ಈ ಅಧಿನಿಯಮವನ್ನು ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2026 ಎಂದು ಕರೆಯತಕ್ಕದ್ದು.

(2) ಇದು 2026ರ ಏಪ್ರಿಲ್, ಒಂದನೇ ದಿನಾಂಕದಿಂದ ಜಾರಿಗೆ ಬರತಕ್ಕದ್ದು.

**2. ಪ್ರಕರಣ 10ರ ತಿದ್ದುಪಡಿ.-** ಕರ್ನಾಟಕ ವೃತ್ತಿಗಳ, ಕಸುಬುಗಳ, ಆಜೀವಿಕೆಗಳ ಮತ್ತು ಉದ್ಯೋಗಗಳ ಮೇಲಣ ತೆರಿಗೆ ಅಧಿನಿಯಮ, 1976 (1976ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ 35)ರ (ಇಲ್ಲಿ ಇನ್ನುಮುಂದೆ ಮೂಲ ಅಧಿನಿಯಮ ಎಂದು ಉಲ್ಲೇಖಿಸಲಾಗಿದೆ) 10ನೇ ಪ್ರಕರಣದ, (1)ನೇ ಉಪಪ್ರಕರಣದಲ್ಲಿರುವ ಎರಡನೇ ಪರಂತುಕದ ತರುವಾಯ ಈ ಮುಂದಿನ ಪರಂತುಕಗಳನ್ನು ಸೇರಿಸತಕ್ಕದ್ದು, ಎಂದರೆ:-

"ಅಲ್ಲದೆ ಪರಂತು, ಈ ಅಧಿನಿಯಮದಡಿ ಒಂದು ವರ್ಷಕ್ಕಾಗಿ ಸಂದಾಯ ಮಾಡಬೇಕಾದ ತೆರಿಗೆಯನ್ನು ಸಂದಾಯ ಮಾಡಿದ ಪ್ರತಿಯೊಬ್ಬ ದಾಖಲಾದ ವ್ಯಕ್ತಿಯು ಆ ವರ್ಷಕ್ಕಾಗಿ ವಿವರ ಪಟ್ಟಿಕೆಯನ್ನು ಒದಗಿಸಿರುವುದಾಗಿ ಪರಿಭಾವಿಸತಕ್ಕದ್ದು.

ಅಲ್ಲದೆ ಪರಂತು, ಆಯುಕ್ತರು ಅಧಿಸೂಚನೆಯ ಮೂಲಕ ವಿವರ ಪಟ್ಟಿಕೆಯನ್ನು ಒದಗಿಸುವುದರಿಂದ ದಾಖಲಾದ ವ್ಯಕ್ತಿಗಳ ಯಾವುದೇ ವರ್ಗವನ್ನು, ಅಂಥ ಅಧಿಸೂಚನೆಯಲ್ಲಿ ನಿರ್ದಿಷ್ಟಪಡಿಸಬಹುದಾಂಥ ಷರತ್ತುಗಳು ಮತ್ತು ಸುರಕ್ಷಾಕ್ರಮಗಳಿಗೆ (safeguards) ಒಳಪಟ್ಟು ವಿನಾಯಿತಿಸಬಹುದು."

The above translation of the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2026 (Karnataka Act 22 of 2026) shall be an authoritative text in Kannada language under section 6 of the Kannada Language Comprehensive Development Act, 2022 (Karnataka Act No. 13 of 2023).

**ಥಾವರ್‌ಚಂದ್ ಗೆಹ್ಲೋಟ್**
ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರು

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ,

**ಜಿ. ಶ್ರೀಧರ್**
ಸರ್ಕಾರದ ಕಾರ್ಯದರ್ಶಿ,
ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು
ಶಾಸನ ರಚನೆ ಇಲಾಖೆ.

ಮುದ್ರಕರು ಹಾಗೂ ಪ್ರಕಾಶಕರು:– ಸಂಕಲನಾಧಿಕಾರಿಗಳು, ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ, ಸರ್ಕಾರಿ ಕೇಂದ್ರ ಮುದ್ರಣಾಲಯ, ಬೆಂಗಳೂರು