



**The Karnataka Prevention of Incitement to Refuse or to Defer Payment of Tax
Act, 1981**

Act 52 of 1981

Keyword(s):

Obstruct collection of taxes, Incitement to refuse or to defer payment of tax

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**THE KARNATAKA PREVENTION OF INCITEMENT TO REFUSE OR TO DEFER
PAYMENT OF TAX ACT, 1981.**

ARRANGEMENT OF SECTIONS.

[Statement of Objects and Reasons](#)

Sections:

1. [Short title and commencement.](#)
2. [Punishment for incitement to refuse or to defer payment of land revenue, tax, etc., due to the State Government.](#)
3. [Abetment to be an offence.](#)
4. [Offence by companies.](#)
5. [Power to make rules.](#)
6. [Repeal and Savings.](#)

STATEMENT OF OBJECTS AND REASONS.

Act 52 of 1981.- Certain persons in the State had mounted campaigns against the payment of tax and other dues to Government, statutory boards and co-operative institutions. In order to enable effective actions primarily against persons who promote such agitations and persons who obstruct collections of Government dues, it is considered necessary to enact separate legislation for this purpose.

Hence this Bill.

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KARNATAKA ACT No. 52 OF 1981

(First published in the Karnataka Gazette Extraordinary on the Eighth day of December, 1981).

THE KARNATAKA PREVENTION OF INCITEMENT TO REFUSE OR TO DEFER PAYMENT OF TAX ACT, 1981.

(Received the assent of the President on the Twenty-fifth day of November, 1981).

An Act to prevent incitement to refuse or to defer payment of tax and other dues payable to the Government and other authorities

WHEREAS it is expedient to prevent incitement to refuse or to defer payment of tax and other dues payable to the Government and other authorities;

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

1. Short title and commencement.- (1) This Act may be called the Karnataka Prevention of Incitement to Refuse or to Defer Payment of Tax Act, 1981.

(2) It shall be deemed to have come into force on the twenty-first day of April, 1981.

2. Punishment for incitement to refuse or to defer payment of land revenue, tax, etc., due to the State Government.- Notwithstanding anything contained in any law for the time being in force, whoever, by words either spoken or written or by signs or by visible representations or otherwise, with intent to disturb public peace, safety and tranquility and the economic security of the State,-

(a) encourages or incites any person or class of persons or the public generally to refuse or to defer payment of or to resist or obstruct payment or collection of,-

(i) any land revenue, tax, rate, cess or other dues or amount payable to the State Government or any local authority or payable under any law or custom having the force of law for any service rendered to the community or any rent of agricultural land or anything recoverable as arrears of or along with such rent ; or

(ii) any rate, cess or other dues or amount payable to the Karnataka Electricity Board; or

(iii) any dues or amount payable to any co-operative society (including State or primary land development banks) registered or deemed to be registered under the Karnataka Co-operative Societies Act, 1959 (Karnataka Act 11 of 1959); or

(b) instigates, directly or indirectly the use of criminal force against public servants generally or any class of public servants or any individual public servant, so as to obstruct in the discharge of their public functions,

shall be punished with rigorous imprisonment for a term which may extend to five years and with fine which may extend to five thousand rupees, but such rigorous imprisonment shall not be less than two years and such fine shall not be less than three thousand rupees.

Explanation.- For the purposes of this section 'public servant' shall have the same meaning as in section 21 of the Indian Penal Code, 1860 (Central Act XLV of 1860).

3. Abetment to be an offence.- Whoever abets the commission of any offence punishable under section 2 shall be deemed to have committed that offence.

4. 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 to 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 had 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.

5. Power to make rules.- (1) The State Government may, make rules to carry out the purposes of this Act.

(2) 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 immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of 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 under that rule.

6. Repeal and savings.- The Karnataka Prevention of Incitement to Refuse or Defer Payment of Tax Ordinance, 1981 (Karnataka Ordinance No. 7 of 1981) is hereby repealed.

(2) Notwithstanding such repeal anything done or any action taken under the Ordinance shall be deemed to have been done or taken under this Act.

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