



**KARNATAKA LEGISLATIVE ASSEMBLY
FOURTEENTH LEGISLATIVE ASSEMBLY
FIFTH SESSION**

**THE KARNATAKA VALUE ADDED TAX (SECOND AMENDMENT)
BILL, 2014
(L.A. Bill No. 61 of 2014)**

A Bill further to amend the Karnataka Value Added Tax Act, 2003.

Whereas it is expedient further to amend the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) for the purposes hereinafter appearing;

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

1. Short title and commencement.- (1) This Act may be called the Karnataka Value Added Tax (Second Amendment) Act, 2014.

(2) It shall come into force at once.

2. Amendment of section 21.- In the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004), after section 21, the following shall be inserted, namely:-

"Provided that reimbursement of Tax collected under this Act shall also be available in respect of personal purchases made by the Diplomats and Consulate officers of the Embassies and Consulates of the countries which are notified subject to such conditions as may be specified therein by the State Government based on reciprocal agreements entered into by the Central Government with such countries."

STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Value Added Tax Act, 2003 to provide for reimbursement of VAT on personal purchases made by the Diplomats and Consulate officers of the Embassies and Consulates of countries with which any reciprocal agreement is entered into by the Central Government.

Hence, the Bill.

FINANCIAL MEMORANDUM

There is no extra expenditure involved in the proposed legislative measure.

SIDDARAMAIAH

Chief Minister

P. OMPRAKASHA

Secretary

Karnataka Legislative Assembly

ANNEXURE**Extract from the Karnataka Value Added Tax Act, 2003 (Karnataka Act No. 32 of 2004)****Section 21. Reimbursement of tax.-**

Tax collected under this Act on such class of purchases as may be prescribed, made by specialized agencies of the United Nations Organisation, Multilateral Financial institutions and Organisations notified under the United-Nations (Privileges and Immunities) Act, 1947 (Central Act 46 of 1947) and Consulates of Embassies of any other country but excluding consulates or embassies as may be notified shall be reimbursed, in such manner and subject to such conditions as may be prescribed.

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