



**KARNATAKA LEGISLATIVE ASSEMBLY
SIXTEENTH LEGISLATIVE ASSEMBLY
FIFTH SESSION**

THE KARNATAKA MOTOR VEHICLES TAXATION (SECOND AMENDMENT) BILL, 2024

(LA Bill No. 50 of 2024)

A Bill further to amend the Karnataka Motor Vehicles Taxation Act, 1957.

Whereas it is expedient further to amend the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) for the purpose hereinafter appearing:

Be it enacted by the Karnataka State Legislature in the seventy fifth year of the Republic of India as follows:

1. Short title and commencement.- (1) This Act may be called the Karnataka Motor Vehicles Taxation (Second Amendment) Act, 2024.

(2) It shall come into force from such date as the State Government may, by notification in the official Gazette, appoint.

2. Amendment of section 3A.- In the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) in section 3A, after sub-section (1A), the following shall be inserted, namely:-

“(1B) In Addition to the existing cess of the tax levied under section 3 on the Motor Vehicles registered under the provisions of the Motor Vehicles Act, 1988 (Central Act 59 of 1988), additional cess of Rupees Five Hundred for two wheeler and Rupees One Thousand for Motor Cars shall be levied and collected on the non-transport vehicles at the time of registration for the purpose of the Karnataka Motor Transport and other Allied Workers Social Security and Welfare Fund.

Explanation: For the purpose of this sub-section ‘non-transport vehicles’ means as specified by a Notification by the Central Government under the provisions of the Motor Vehicles Act, 1988.”

3. Power to remove difficulty.- (1) If any difficulty arises in giving effect to the provisions of the Karnataka Motor Vehicles Taxation (Second Amendment) Act, 2024, the State Government may by notification in the Official Gazette, make such provisions as may appear to it to be necessary or expedient for purpose of removing the difficulty:

Provided that, no such order shall be made after the expiry of a period of two years from the date of commencement of the Karnataka Motor Vehicles Taxation (Second Amendment) Act, 2024.

(2) Every order made under sub-section (1), shall as soon as after it is made, be laid before the State Legislature.

STATEMENT OF OBJECTS AND REASONS

It is considered necessary further to amend the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) to impose and collect an additional cess of rupees five hundred on two wheeler and rupees one thousand on Motor cars of non-transport vehicles at the time of registration for the purpose of the Karnataka Motor Transport and other Allied Workers Social Security and Welfare Fund.

Hence, the Bill.

FINANCIAL MEMORANDUM

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

RAMALINGA REDDY

Minister for Transport and Muzrai

M.K. VISHALAKSHI

Secretary
Karnataka Legislative Assembly

ANNEXURE
THE EXTRACT FROM THE KARNATAKA MOTOR VEHICLES TAXATION ACT, 1957
(KARNATAKA ACT 35 OF 1957)

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3A. Levy of cess.- (1) There shall be levied and collected by way of cess, at the rate of eleven percentum of the tax levied under section 3 on the Motor Vehicles registered under Motor Vehicles Act, 1988 (Central Act 59 of 1988) out of which ten percentum shall be for the purpose of various infrastructure projects across the State, equity in investment in Bangalore Mass Rapid Transit Limited, the Mukhya Manthri Grameena Rasthe Abhivruddhi Nidhi, in the proportion of 57:28:15 respectively and one percentum for the purpose of Urban Transport Fund.

(1A) In addition to the existing cess of the tax levied under Section 3 on the Motor Vehicles registered under the Motor Vehicles Act, 1988 (Central Act 59 Of 1988), 3% additional cess shall be levied and collected on the transport vehicles for the purpose of the Karnataka Motor Transport and Other Allied Workers Social Security and Welfare Fund.

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