

KARNATAKA ACT NO. 23 OF 2001
THE KARNATAKA MOTOR VEHICLES TAXATION
(SECOND AMENDMENT) ACT, 2001

ARRANGEMENT OF SECTIONS

Sections:

1. Short title and commencement
2. Amendment of section 2
3. Amendment of section 10

STATEMENT OF OBJECTS AND REASONS

In order to meet the ever increasing need of the Bangalore City for more number of transport vehicles, the Bangalore Metropolitan Transport Corporation has hired private buses on contract basis and operating them as it is facing difficult financial position. According to the agreement entered into by the Corporation with the private bus owners, it has to bear the Motor Vehicles Tax. The Bangalore Metropolitan Transport Corporation and other transport undertakings are paying tax as 'fleet owners' under section 10 on the gross revenue from fares and freights of the vehicles owned by them. This concession cannot be availed in respect of Motor Vehicles hired by them from the private bus owners as they are liable to tax leviable under section 3. Therefore, it is considered necessary to amend the Karnataka Motor Vehicles Taxation Act, 1957 to construe the State Transport Undertakings as fleet owners even in respect of the vehicles hired by them from private bus owners.

Certain consequential changes are also made.

Hence the Bill.

(Vide L.A. Bill No.14 of 2001 File No. ಸಂವ್ಯಶಾೞ 24 ಶಾಸನ 2001)

KARNATAKA ACT 23 OF 2001

*(First published in the Karnataka Gazette Extra-ordinary on the
Twenty fifth day of August, 2001)*

**THE KARNATAKA MOTOR VEHICLES TAXATION
(SECOND AMENDMENT) ACT, 2001.**

*(Received the assent of the Governor on the Twenty Fourth
day of August, 2001)*

An Act 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 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 Motor Vehicles Taxation (Second Amendment) Act, 2001.

(2) It shall come into force at once.

2. Amendment of section 2.- In sub-section (1) of section 2 of the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) (hereinafter referred to as the principal Act), after clause (aa), the following Explanation shall be inserted, namely:-

“Explanation.- For the purpose of this clause, State Transport Undertaking shall be deemed to be a fleet owner in

respect of vehicles placed at the disposal and under the control of such undertaking by the registered owner under any arrangement entered into between such owner and the undertaking for the use of such vehicles by the undertaking to operate on any route as stage carriage under any permit issued therefore to such undertaking under sub-section (1) of section 103 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)”

3. Amendment of section 10.- In section 10 of the principal Act, after the words “public service vehicles owned by a fleet owner” the words, figures, letters and brackets “or public service vehicles referred to in the explanation to clause (aa) of sub-section (1) of section 2” shall be inserted.