

KARNATAKA ACT NO.5 OF 2001
THE KARNATAKA TAXATION LAWS
(AMENDMENT) ACT, 2001
ARRANGEMENT OF SECTIONS

Sections:

1. Short title and commencement
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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. ಸಂವಿಶ್ವಾಸಿ 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

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

(c) clause (b) shall be omitted.

(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-imbusement 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-imbusement 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-imburement 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-imburement 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-imburement.

(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 reimbursement 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

SI.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 per cent”

- (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 per cent”, 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 per cent”, 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. -

- (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.

(xiv) 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”

(xiv) 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*.

(x/vi) 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 per annum
- (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 than 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 “gutmka,” 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

(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.