

KARNATAKA ACT NO. 5 OF 2004
THE KARNATAKA ELECTRICITY (TAXATION ON CONSUMPTION)
(AMENDMENT) ACT, 2004

Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of section 3
3. Repeal and savings

STATEMENT OF OBJECTS AND REASONS

During the review of power sector by the Chief Minister on 4th September, 2003, it was decided to increase the hours of 3 phase power supply in rural areas to 6 hours a day along with 10 hours of single phase supply. This would require additional purchase of power and would impose additional financial burden on KPTCL and the State Government. Hence, it was decided to levy electricity tax on energy consumed through captive power generation at the rate of 25 paise per unit of energy.

As the matter was urgent and both the Houses of the Karnataka State Legislature were not in Session the Karnataka Electricity (Taxation on Consumption) (Amendment) Ordinance, 2003 was promulgated.

This Bill seeks to replace the above Ordinance.

Hence the Bill.

(LA Bill No.5 of 2004)

(Entry 53 of List II of the Seventh Schedule to the Constitution of India)

KARNATAKA ACT NO. 5 OF 2004

(First published in the Karnataka Gazette Extra-ordinary on the twenty ninth day of January, 2004)

**THE KARNATAKA ELECTRICITY (TAXATION ON CONSUMPTION)
(AMENDMENT) ACT, 2004**

(Received the assent of the Governor of Karnataka on the twenty ninth day of January, 2004)

An Act further to amend the Karnataka Electricity (Taxation on Consumption) Act, 1959.

Whereas it is expedient further to amend the Karnataka Electricity (Taxation on Consumption) Act, 1959 (Karnataka Act 14 of 1959) for the purposes hereinafter appearing;

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

1. Short title and commencement.- (1) This Act may be called the Karnataka Electricity (Taxation on Consumption) (Amendment) Act, 2004.

(2) It shall be deemed to have come into force on the sixteenth day of October, 2003.

2. Amendment of section 3.- Section 3 of the Karnataka Electricity (Taxation on Consumption) Act, 1959 (Karnataka Act 14 of 1959) (hereinafter referred to as the principal Act) shall be renumbered as sub-section (1) thereof; and,

- (i) in the heading, for the words "electricity charges", the words "electricity charges etc" shall be substituted; and
- (ii) after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:-

"(2) Subject to the provision of this Act, there shall be levied and paid to the State Government, with effect from the date of commencement of Karnataka Electricity (Taxation on Consumption) (Amendment) Act, 2004 and till the first day of July, 2004, an electricity tax at the rate of twenty five paise per unit on all the units of energy consumed by any person,-

- (i) not being a licensee who has generated such energy; or
- (ii) to whom it is supplied free of charge by a person not being a licensee who has generated such energy."

3. Repeal and savings.- (1) The Karnataka Electricity (Taxation on Consumption) (Amendment) Ordinance, 2003 (Karnataka Ordinance 8 of 2003) is hereby repealed:

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

By Order and in the name of the Governor of Karnataka

M.R. HEGDE

Secretary to Government

Department of Parliamentary Affairs and Legislation