

KARNATAKA ACT NO. 15 OF 2011
THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2011
Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Mysore Act IX of 1932
3. Amendment of the Mysore Act VIII of 1952
4. Amendment of Karnataka Act 30 of 1958
5. Amendment of Karnataka Act 35 of 1976
6. Amendment of Karnataka Act 22 of 1979
7. Amendment of Karnataka Act 27 of 1979
8. Repeal of certain enactments

STATEMENT OF OBJECTS AND REASONS

Amending Act 15 of 2011.- It is considered necessary to amend the Mysore Betting Tax Act, 1932, the Mysore Race Courses Licensing Act, 1932, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to,

- (i) extend the application of the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1932 for the whole of State of Karnataka;
- (ii) to omit certain redundant provisions and the Schedules in the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1932;
- (iii) to repeal certain redundant enactments; and
- (iv) give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No.11 of 2011, File No.Samvyashae 13 Shasana 2011]

[Entries 34,52, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

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KARNATAKA ACT NO. 15 OF 2011

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THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2011

(Received the assent of the Governor on the seventeenth day of March, 2011)

An Act further to amend certain taxation laws 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 Sixty 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, 2011.

(2) It shall come into force with effect from the First day of April, 2011.

2. Amendment of Mysore Act IX of 1932.- In the Betting Tax Act, 1932 (Mysore Act IX of 1932),-

(1) in section 1, for sub-section (2), the following shall be substituted, namely:-

“(2) It extends to the whole of the State of Karnataka.”

(2) for section 3-A, the following shall be substituted, namely:-

“**3-A. Payment of totalisator tax by way of composition.-** Notwithstanding anything contained in section 3, but subject to such conditions as may be prescribed, the State Government may, if a licensee so elects, accept in lieu of the totalisator tax payable under section 3 during any year, by way of composition, in respect of a licensee in Bangalore City at the rate of eight percent of the total amount of moneys paid into the totalisator and in respect of a licensee in Mysore City at the rate of four percent of the total amount of moneys paid into the totalisator.”

(3) sections 12, 13 and 14, as existed before the Mysore Betting Tax (Karnataka Amendment) Act, 1980 (Karnataka Act 22 of 1980) shall be omitted.

3. Amendment of the Mysore Act VIII of 1952.- In the Mysore Race Courses Licensing Act, 1952 (Mysore Act VIII of 1952),-

(1) in the Title, long title and preamble, for the word “Mysore”, the word “Karnataka” shall be substituted; and

(2) in section 1,-

(i) in sub-section (1), for the word “Mysore”, the word “Karnataka” shall be substituted;

(ii) for sub-section (2), the following shall be substituted, namely:-

“(2) It extends to the whole of the State of Karnataka.”.

(3) sections 12, 13 and 14 and the Schedule shall be omitted.

4. Amendment of Karnataka Act 30 of 1958.- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),-

(1) in section 2,-

(i) after clause (a), the following shall be inserted, namely:-

“(aa) “**Additional Commissioner**” means the Additional Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004); ”

(ii) clause (da) shall be omitted;

(2) in section 5,-

(i) after the words “with the previous approval of the State Government”, the words “ or the Commissioner or any officer authorised by the State Government or the Commissioner” shall be inserted;

(ii) for the words “as may be specified by the State Government”, the words “as may be prescribed or specified by the State Government” shall be substituted.

(iii) in the proviso, after the words “the State Government”, the words “ or the Commissioner or any officer authorised by the State Government or the Commissioner” shall be inserted.

(3) in section 6-A,-

(i) in the title, for the word “Returns”, the words “Submission of returns and furnishing of information” shall be substituted.

(ii) after sub-section (1-A), the following shall be inserted, namely:-

“(1-B) Every proprietor of a cinema theatre belonging to a specified class as may be notified by the Commissioner shall enter in the website, particulars of each cinematograph show within such time as may be specified in the notification.”

(4) after section 8-C, the following shall be inserted, namely:-

“8-CC. Revision by the Additional Commissioner.- (1) The Additional Commissioner may on his own motion call for and examine the record of any order passed or proceeding recorded under this Act and if he considers that any order passed therein by any officer, who is not above the rank of a Joint Commissioner, is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or canceling the assessment or directing a fresh assessment.

(2) The Additional Commissioner shall not exercise any power under sub-section (1), if.-

- (a) the time for appeal against the order has not expired;
- (b) the matter has been subject to an appeal under Section 8-E or a revision in the High Court; or
- (c) more than four years have expired after the passing of the order sought to be revised.

Provided that in the case of an order passed by the Appellate Authority under Section 8-E allowing the appeal preferred in full, the condition specified in clause (a) shall not apply.

(3) Notwithstanding anything contained in sub-section (2), the Additional Commissioner may pass an order under sub-section (1), on any point which has not been raised and decided in an appeal or revision referred to in clause (b) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or revision or before the expiry of a period of four years referred to in clause (c) of that sub-section, whichever is later.

(4) Every order passed in revision under sub-section (1) shall, subject to the provisions of Section 8-D be final.

(5) If the order passed or proceedings recorded by the Additional Commissioner, involves an issue on which the High Court has given its decision adverse to the revenue in some other proceedings and an appeal to the Supreme Court against such decision of the High Court is pending, the period spent between the date of the decision of the High Court and the date of the decision of the Supreme Court shall be excluded in computing the period referred to in clause (c) of sub-section (2).

(6) In computing the period of limitation for the purpose of sub-section (2), any period, during which any proceeding under this Section is stayed by an order or injunction of any court, shall be excluded.

(7) For the purposes of this Section, ‘record’ shall include all records relating to any proceedings under this Act available at the time of examination by the Additional Commissioner.”

(5) Section 10A shall be omitted.

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 section 5,-

(1) after sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the Commissioner may notify the website in which an application for registration shall be made electronically in the manner specified in the said notification.”

(2) after sub-section (2), the following proviso shall be inserted, namely:-

“Provided that the Commissioner may notify the website in which an application for enrolment shall be made electronically in the manner specified in the said notification.”

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, after clause (1-C), the following shall be inserted, namely:-

“(1-D) **“Additional Commissioner”** means the Additional Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004);”

(2) in section 4-A, after sub-section (1), the following proviso shall be inserted, namely:-

“Provided that the Commissioner may notify the website in which an application for registration shall be made electronically in the manner specified in the said notification.”

(3) in section 10,-

(i) in the title for the words “Joint Commissioner and ”, the words and punctuation mark “Joint Commissioner, Additional Commissioner and ” shall be substituted;

(ii) after sub-section (1), the following shall be inserted, namely:-

“(1-A) The Additional Commissioner may of his own motion, call for and examine the record of any order passed or proceedings recorded under the provisions of this Act by any officer, who is not above the rank of a Joint Commissioner, for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceeding insofar as it is prejudicial to the interest of revenue, and pass such orders with reference thereto as he thinks fit.”

(iii) in sub-section (2), for the words “Joint Commissioner”, the words “Additional Commissioner” shall be substituted;

(iv) in sub-section (3), for the words, brackets and figures “sub-sections (1) and (2)”, the words, brackets, figures and letter “sub-sections (1), (1-A) and (2)” shall be substituted;

(v) in sub-section (4), for the words, brackets and figures “sub-section (1) or (2)”, the words, brackets, figures and letter “sub-section (1), (1-A) or (2)” shall be substituted;

(vi) in sub-section (6), for the words, brackets and figures “sub-section (1)”, the words, brackets, figures and letter “sub-section (1) or (2)” shall be substituted.

(vii) in the Explanation I, for the words “the Joint Commissioner”, the words “the Additional Commissioner or the Joint Commissioner” shall be substituted.

(4) for section 12-A, the following shall be substituted, namely:-

“12-A. Power of State Government to exempt or reduce tax or permit payment of composition amount.- The State Government may, if in its opinion, it is necessary in the public interest so to do, by notification and subject to such restrictions and conditions and for such period as may be specified in the notification,-

(a) exempt or reduce the tax payable under this Act in respect of specified class of hotels, marriage halls, clubs and hospitals; and,

(b) permit payment of an amount by way of composition in lieu of the tax payable under this Act in respect of specified class of hotels.”

7. Amendment of Karnataka Act 27 of 1979.- In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979),-

(1) in section 4, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that the Commissioner may notify the website in which an application shall be made electronically.” ;

(2) in section 18-B,-

(i) in sub-section (1), for the word, figure and letter “Section 28-A”, the words, figures and letter “Section 28-A of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or sub-section (3) of Section 53 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)” shall be substituted;

(ii) for the Explanation at the end, the following shall be substituted, namely:-

“Explanation.- In case where a vehicle owned by a person is hired for transportation of goods by some other person including a transporting or any other similar agency, both the persons shall for the purposes of this Section, be deemed to be the owner of the vehicle, and shall be jointly and severally liable to pay any amount of tax or penalty payable.”

8. Repeal of certain enactments.- The enactments specified in the Schedule below, as in force in the Belgaum, Gulbarga and Mangalore and Kollegal Areas of the State are hereby repealed.

SCHEDULE
(see section 3)

Sl. No.	Year of Enactment	No. of Enactment	Name of Enactment	Area where the enactment is in force
(1)	1912	III	The Bombay Race-Courses Licensing Act	Belgaum Area
(2)	1358F	LI	The Hyderabad Horse Racing and Betting Tax Regulation 1358F	Gulbarga Area
(3)	1925	VI	The Bombay Betting Tax Act	Belgaum Area
(4)	1935	XX	The Madras Betting Tax Act	Mangalore and Kollegal Area

By Order and in the name of the Governor of Karnataka

G.K. BOREGOWDA

Secretary to Government,

Department of Parliamentary Affairs and Legislation