

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 1997

ARRANGEMENT OF SECTIONS

Sections:

1. Short title.

X X X X

9. Amendment of Mysore Act IX of 1932.

X X X X

* * * *

STATEMENT OF OBJECTS AND REASONS

Act 7 of 1997.- It is considered necessary to amend the Karnataka Tax on Luxuries (Hotels, Lodging Houses and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976 (Karnatak Act 35 of 1976), the Karnataka Excise Act 1966 (Karnatak Act 21 of 1966), the karnataka Entertainments Tax Act, 1958 (karnataka Act 20 of 1958), the Karnataka Agricultural Income Tax Act, 1957 (karnataka Act 22 of 1957), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Mysore Betting Tax Act 1932 (Mysore Act IX of 1932), and to give effect to the proposals made in the Budget Speech and matters connected therewith Certain consequential amendments are also made.]

Hence the Bill.

(Obtained from L.A. Bill No. 12 of 1997).

* * * *

KARNATAKA ACT NO. 7 OF 1997

(First published in the Karnataka Gazette Extraordinary on the Thirty First day of March, 1997)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 1997

(Received the assent of the Governor on the Thirty First day of March, 1997)

An Act further to amend certain taxation laws as in force in the State of Karnataka.

WHEREAS it is expedient to amend certain taxation laws for the purposes hereinafter appearing:

BE it enacted by the Karnataka State Legislature in the Fortyeight 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, 1997.

(2) It shall come into force with effect from the first day of April, 1997.

X X X X

9. Amendment of Mysore Act IX of 1932.- In the Mysore Betting Tax Act, 1932 (Mysore Act No.IX of 1932),-

(1) in section 2, clause (2-A) shall be renumbered as clause (2-B) there of and before clause (2-B) as so renumbered, the following clause shall be inserted, namely:-

“(2-A) “Commissioner” means a person appointed to be a Commissioner of Commercial Taxes under section 3 of Karnataka Sales Tax Act, 1957 (Karnataka Act No.25 of 1957).”

(2) after section 8-A the following shall be inserted, namely:-

“8-B. Powers to order production of books of accounts and powers of entry, inspection and seizure.- (1) Any officer empowered by the State Government in this behalf, may for the purpose of this Act, require any licensed book maker to produce before him the accounts, records, registers, cards and other documents and to furnish any information relating to the money paid or agreed to be paid to him by backers in respect of bets, relating to any meeting or period.

(2) All account, records, registers, cards or documents maintain by the licensed book makers relating to the business or vocation carried on by them, shall be open to inspection at all reasonable times by officers empowered under sub-section (1).

(3) For the purpose of inspection, under sub-section (2), any such officer shall have power to enter and search any enclosure or booth within the premises of the Racing Club where betting takes place, during the meeting or any other office, premises of whatsoever type or nature, where such officer has reason to believe that the licensed book maker keeps or is for the time being keeping, any account, records, registers, cards or documents of his business or vocation:

Provided that no residential accommodation, not being a place of business-cum-residence, shall be entered into and searched by such officer except on the authority of a search warrant issued by a magistrate having jurisdiction over the area and all

searches under this section shall, so far as may be, be made in accordance with the provisions of the Code of Criminal Procedure, 1973 (Central Act 2C of 1974).

(4) If any such officer has reasons to suspect that any licensed book maker is attempting to evade the payment of tax due from him under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers, records, cards or other documents of the licensed book maker as he may consider necessary and shall give the licensed book maker a receipt for the same. The accounts, registers, records, cards or other document so seized shall be retained by such officer only for so long as may be necessary for examination and for any enquiry or proceeding under this Act:

Provided that retention under sub-section (4) shall not be for a period exceeding one hundred and eighty days from the date of seizure, unless reasons for retaining the same beyond the said period are recorded by him in writing and approval of the Commissioner is obtained and such approval in any case shall not be for more than sixty days at a time.

(5) Where such officer, upon examining the accounts registers, records, cards and other documents seized under sub-section (4), has reason to believe that the licensed book maker, having deducted or collected any amounts towards betting tax from the moneys paid in respect of cash or credit bets by the backers, failed to make over such betting tax to State Government as required by section 7 or in respect of any moneys paid or agreed to be paid to them by backers in respect of any cash or credit bets, has attempted to evade payment of the betting tax, in respect of any period or meeting such officer shall determine to his best of judgement the amount of betting tax payable by the licensed book maker, either in respect of the already deducted or collected betting tax or in respect of betting tax attempted to be evaded and shall accordingly pass orders levying the betting tax:

Provided that before taking action under sub-section (5), the licensed book maker shall be given a reasonable opportunity of being heard and also showing cause against such order.

(6) In passing an order under sub-section (5), such officer may also direct the licensed book maker to pay in addition to the betting tax, a penalty not exceeding one and a half times the amount of betting tax levied in the said order:

Provided that no penalty under this sub-section shall be imposed unless the licensed book maker affected is afforded a reasonable opportunity of showing cause against such imposition.

(7) The amount of betting tax and penalty, if any, levied in the orders passed under sub-section (5) and (6), shall be paid by the licensed book maker within twenty - one days from the date of service on him of such order and the amount of tax and penalty shall be recoverable as per provisions of section 9."

(3) In section 9, for sub-section (2), the following shall be substituted, namely:-

"(2) All moneys which a licensed book maker is liable to make over to the prescribed officer under section 7 and the amount of betting tax and penalty levied in the order passed under sub-section (5) and (6) of section 8-A shall be recoverable from the licensed book maker,-

(a) as if it were an arrear of land revenue;

(b) notwithstanding anything contained in the Code of Criminal Procedure 1973 (Central Act 2 of 1974), on a application to a magistrate, by such magistrate as if it were a fine imposed by him.

(4) after section 9, the following shall be inserted, namely:-

“9A. Appeals.- (1) A licensed book maker objecting to an order affecting him passed under the provisions of sections 8-A may within thirty days from the date of communication of such order, appeal to the Commissioner:

Provided that the Commissioner may admit an appeal preferred after period of thirty days aforesaid if he is satisfied that the licensed book maker had sufficient cause for not preferring the appeal with that period.

(2) No appeal shall be entertained unless it is accompanied by satisfactory proof of payment of the betting tax and penalty not disputed in the appeal.

(3) Notwithstanding that an appeal has been preferred under sub-section (1), the tax or other amount shall be paid in accordance with the order against which the appeal has been preferred:

Provided that the commissioner may, in his discretion, give such directions as he thinks fit in regard to the payment of tax or other amount payable under this sub-section, if the licensed book maker furnishes sufficient security to his satisfaction.

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(5) In disposing of an appeal, the Commissioner may, after giving the licensed book maker a reasonable opportunity of being heard, pass such orders as he thinks fit.

(6) Every order passed in appeal under this section shall subject to the provision of section 9-B, be final.

“9-B. Appeal to High Court.- (1) Any licensed book maker objecting to an order passed by the Commissioner under section 9A, may appeal to the High Court within sixty days from the date on which the order was communicated to him:

Provided that the High Court may admit an appeal preferred after the period of sixty days aforesaid, if it is satisfied that the licensed book maker had sufficient cause for not preferring the appeal within that period.

(2) The appeal shall be in the prescribed form, shall be verified in the prescribed manner and shall be accompanied by a fee of five hundred rupees.

(3) The High Court shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such order thereon as it thinks fit.

X X X X

* * * *