

## KARNATAKA ACT NO. 5 OF 2016

### THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2016

#### Arrangement of Sections

#### Sections:

1. Short title and commencement
2. Repeal of Karnataka Act 22 of 1957
3. Amendment of Karnataka Act 30 of 1958
4. Amendment of Karnataka Act 35 of 1976
5. Amendment of Karnataka Act 22 of 1979
6. Amendment of Karnataka Act 27 of 1979

#### STATEMENT OF OBJECTS AND REASONS

**Amending Act 05 of 2016.-** To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958), Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Tax on luxuries Act, 1979 (Karnataka Act 22 of 1979) and the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979). Opportunity is also taken to rationalize certain provisions of the said Acts and repeal The Karnataka Agriculture Income-Tax 1957 (Karnataka Act 22 of 1957).

Hence the Bill

[L.A. Bill No.11 of 2016, File No. Samvyashae 19 Shasana 2016]

[entries 46, 52,60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

**KARNATAKA ACT NO. 5 OF 2016**

(First Published in the Karnataka Gazette Extra-ordinary on the thirty first day of March, 2016)

**THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2016**

(Received the assent of the Governor on the thirty first day of March, 2016)

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 seventh 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, 2016.

(2) It shall come into force with effect from First day of April 2016.

**2. Repeal of Karnataka Act 22 of 1957.** - (1) The Karnataka Agricultural Income-Tax Act, 1957(Karnataka Act 22 of 1957) is hereby repealed:

Provided that such repeal shall not affect,—

- (a) the previous operation of the said enactment or anything duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the said enactment; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said enactment; or
- (d) any investigation, legal proceeding (including assessment proceeding) or remedy in respect of any such right, privilege, obligation, liability, forfeiture or punishment as aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed.

(2) Notwithstanding anything contained in sub-section (1), for the purpose of giving effect to the preceding proviso to the said sub-section (1), the State Government may, by notification, in the Official Gazette make such provision as appears to it necessary or expedient,—

- (a) for making omissions from, additions to and adaptations and modifications of the rules, notifications and orders issued under the repealed enactment;
- (b) for specifying the authority, officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactment or any rules, notifications or orders issued thereunder as may be mentioned in the said notification.

(3) Notwithstanding anything contained in sub-section (1), nothing contained in any of the repealed enactment limiting the time within which any action may be taken or any order, assessment or re-assessment may be made shall apply to an assessment or re-assessment made on the assessed or any person,—

(i) in consequence of, or to give effect to, any finding, direction or order made under any provision of the relevant repealed enactment or any judgment, or order made by the Supreme Court, High Court or any other court whether before or after the commencement of this Act;

(ii) to rectify any error on account of the assessment of such assesses or person under this Act, instead of under the relevant enactment, provided such assessment or re-assessment under the repealed enactment is made within a period of two years from the date of commencement of the Karnataka Taxation Laws (Amendment) Act, 2016.

**3. Amendment of Karnataka Act 30 of 1958.**- In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958).- In Section 4-G for the words "six per cent" the words "ten per cent" shall be substituted.

**4. 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 sub-section (3) of section 5 for the words “within thirty days of the receipt of the application” the words “within three days of the receipt of the application” shall be substituted.

**5. Amendment of Karnataka Act 22 of 1979.-** In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979).-

- (1) In sub-section (1) of Section 3-E after the words “and the like,” the words, brackets and letters “other than facilities provide in a Intensive Care Unit(ICU)” shall be inserted;
- (2) In sub-section (1) of Section 7-A after the words “charges for luxuries provided in a marriage hall”, the words “or charges for luxuries provided in a hospital or charges for luxuries provided in a club” shall be deemed to have been inserted from 1<sup>st</sup> day of April 2011.

**6. 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 13,-

(i) in sub-section (3).-

(a) in clause (a) for the words “tax and penalty” the words “tax and other amount” shall be substituted;

(b) in first proviso, for the words and punctuation “ stay payment of one half of tax,” the words and punctuation “stay payment of seventy percent of tax and other amount,” and for the words “ makes payment of the other half of the tax” the words “makes payment of the balance thirty per cent of the tax and other amount” shall be substituted; and

(c) in second proviso for the words “ payment of one half of the tax ” the words “ payment of thirty percent of tax and other amount” and for the words “other half of such tax or amount” the words “balance seventy percent of such tax and other amount ” shall be substituted.

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

“Provided that the Commissioner may notify the website in which appeal shall be filed electronically.”

(2) in Section 14,-

(i) in sub-section (3) for the words “one-half of tax or other amount” the words “thirty per cent of the tax and other amount” shall be substituted;

(ii) in first proviso to sub-section (4), for the words “stay payment of one half of tax or other amount” the words “stay payment of seventy percent of tax and other amount” and for the words “makes payment of the other half of the tax or other amount ” the words “makes payment of the thirty per cent of the tax and other amount” shall be substituted; and

(iii) in second proviso to sub-section (4) for the words “ one half of tax or other amount” the words “ seventy percent of tax and other amount” and for the words “tax or other amount” the words “ tax and other amount” shall be substituted.

By Order and in the name of the Governor of Karnataka,

**S.B. GUNJIGAVI**

Secretary to Government  
Department of Parliamentary Affairs