

KARNATAKA ACT NO. 06 OF 2016

THE KARNATAKA VALUE ADDED TAX (AMENDMENT) ACT, 2016

Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of Section 10
3. Amendment of section 31
4. Amendment of section 35
5. Amendment of Section 38
6. Amendment of section 72
7. Amendment of Fourth Schedule
8. Amendment of Sixth schedule

STATEMENT OF OBJECTS AND REASONS

Amending Act 06 of 2016.- It is considered necessary to amend the Karnataka Value Added Tax Act, 2003 to give effect to the proposal made in the Budget and certain consequential amendments thereof.

Hence the Bill.

[L.A. Bill No.12 of 2016, File No. Samvyashae 18 Shasana 2016]
[Entry 54 of List II of the Seventh Schedule to the Constitution of India.]

KARNATAKA ACT NO. 06 OF 2016

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THE KARNATAKA VALUE ADDED TAX (AMENDMENT) ACT, 2016

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

An Act further to amend the Karnataka Value Added Tax Act, 2003.

Whereas, it is expedient further to amend the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) 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 Value Added Tax (Amendment) Act, 2016.

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

2. Amendment of Section 10.- In the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) (hereinafter referred to as the principal Act), in section 10.-

(i) in sub-section (3), the following words shall be deemed to have been omitted with effect from the first day of April 2015;

“relatable to goods purchased during the period immediately preceding five tax periods of such tax period, if input tax of such goods is not claimed in any of such five preceding tax periods and”

(ii) after sub-section (3), following proviso shall be deemed to have been inserted with effect from the first day of April 2015;

“Provided that, a registered dealer while calculating the net tax payable on or after first day of April 2015 may claim input tax relatable to goods purchased during the period immediately preceding five tax periods of such tax period, if input tax of such goods is not claimed in any of such five preceding tax periods.”

(iii) after sub-section (5) following sub-section shall be inserted, namely.-

“(6) Notwithstanding anything contained in this Act, input tax deducted by a registered dealer to calculate net tax payable is provisional to a dealer who fails to furnish or furnishes incorrect and incomplete particulars for preparation of the return in the prescribed form electronically through internet in the manner specified in the notification issued by the Commissioner under first proviso to section 35 and the jurisdictional Local VAT Officer or VAT sub-officer shall assess such dealer for such tax period by disallowing input tax claimed by him and issue demand notice:

Provided that, where an assessment has been made under this sub-section and the dealer subsequently furnishes particulars for preparation of the return in the prescribed form or furnishes correct and complete particulars for preparation of the return electronically through internet in the manner specified in the notification for the tax period to which assessment relates, the jurisdictional Local VAT Officer or VAT sub-officer shall withdraw the assessment but the dealer shall be liable to penalty as applicable under sub-section (3-A) of section 72”.

3. Amendment of section 31.- In section 31 of the principal Act, in sub-section (4), after proviso the following proviso shall be inserted, namely:-

“Provided further that the dealers so required to submit a copy of the audited statement of accounts and prescribed documents in the prescribed manner shall submit them electronically through the website notified by the Commissioner.”

4. Amendment of section 35.- In section 35 of the principal Act, in the first proviso to sub-section (1), for the words “or” the words “and” shall be deemed to have been substituted with effect from the first day of April 2010.

5. Amendment of Section 38.- In section 38 of the principal Act, in sub-section (2), after the words and punctuation “thereunder,” the words and punctuation “or the return furnished is incorrect or incomplete,” shall be inserted.

6. Amendment of section 72.- In section 72 of the principal Act.-

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

“(2-A) A dealer who for any prescribed tax period furnishes a revised return which understates his liability to tax or overstates his entitlement to a tax credit by more than five per cent of his actual liability to tax, or his actual tax credit, as the case may be shall after being given the opportunity of showing cause in writing against the imposition of a penalty, be liable to a penalty equal to ten per cent of the amount of such tax under or overstated.

Explanation: Notwithstanding anything contained in this Act, for the purpose of this section, revised return means a return filed under clause (a) and clause (b) of sub-section (4) of section 35.”

(ii) after sub-section(3-A), the following shall be inserted, namely:-

“(3-B). A dealer who fails to submit the copy of the audited statement of accounts and prescribed documents as prescribed in the proviso to sub-section (4) of section 31 as informed in the notice issued to him shall be liable to a penalty of fifty rupees for each day of default.”

7. Amendment of Fourth Schedule.-In the Fourth Schedule to the principal Act, after the entries relating to serial number 6, the following shall be inserted, namely:-

“7. Aerated and carbonated non-alcoholic beverages whether or not containing sugar or other sweetening matter or flavor or any other additive including soft drinks and soft drink concentrates(whether in sealed container or otherwise).”

8. Amendment of Sixth schedule.-In Sixth Schedule to the principal Act, for the entries relating to serial number 4, in column number (2) the following shall be substituted, namely:-

“Fabrication and erection of structural works of iron and steel including fabrication, supply and erection of iron trusses, purlines and the like.”

The above translation of ಕರ್ನಾಟಕ ಮೌಲ್ಯವರ್ಧಿತ ತೆರಿಗೆ (ತಿದ್ದುಪಡಿ) ಅಧಿನಿಯಮ, 2016 (2016ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ:06) be published in the Official Gazette under clause (3) of Article 348 of the Constitution of India.

**GOVERNOR OF KARNATAKA
VAJUBHAI VALA**

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

S.B. GUNJIGAVI
Secretary to Government
Department of Parliamentary Affairs