

KARNATAKA EDUCATION CESS (VALIDATION OF LEVY) ACT, 1969

16 of 1969

[10th September, 1969]

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STATEMENT-OF OBJECTS AND REASONS [KARNATAKA ACT No. 16 OF 1969] Karnataka Gazette, Extraordinary, dated 14-8-1969 Under the provisions of the Karnataka Elementary Education Act, 1941, education cess was being levied on tree-tax, tree-rent and shop-rentals in respect of toddy, arrack and beer. This levy has been held by the Karnataka High Court as illegal and, in several cases, the High Court has also ordered refund of the education cess already collected. The State Government has preferred an appeal against this judgment. Meanwhile, it is likely that the contractors may claim the refund of the amount of cess. The amount of cess has been already collected on the prices of arrack, toddy, etc., from the consumers. It is considered necessary to validate the collection already made so that the amount need not be refunded to the contractors who would not be in a position to refund it to the individual consumers. 2. In view of urgency, an ordinance was promulgated validating the levy. The Bill is to replace the Ordinance.

1. Short title and commencement :-

(1) This Act may be called the Karnataka Education Cess

(Validation of Levy) Act, 1969.

(2) It shall come into force at once.

2. Amendment of Schedule to Karnataka Act 6 of 1941 :-

Notwithstanding anything contained in the Karnataka Elementary Education Act, 1941 (Karnataka Act 6 of 1941) as in force prior to the First day of April, 1969 and any rule or order, in the first paragraph of the Schedule to the said Act, the words "on which education cess is now being levied" shall be and shall always be deemed to have been omitted, and for the purpose of the said Act, education cess on all items of excise revenue shall be and shall always be deemed to have been levied in accordance with law.

3. Validation of levy and collection of education cess on excise revenue :-

Notwithstanding anything contained in any judgment, decree or order of any court or other authority, education cess on all items of excise revenue levied or collected or purporting to have been levied or collected under the Karnataka Elementary Education Act, 1941 (Karnataka Act 6 of 1941) shall, for all purposes, be deemed to be, and to have always been validly levied or collected in accordance with law as if this Act had been in force at all material times when such education cess was levied or collected and accordingly,

(a) all acts, proceedings or things done or taken by any authority or officer or person in connection with the levy or collection of the education cess on any item of excise revenue shall, for all purposes, be" deemed to be and to have always been done or taken in accordance with law;

(b) no suit or other proceeding shall be entertained or continued in any court for the refund of the education cess so paid; and

(c) no court shall enforce any decree or order directing the refund of the education cess so paid.

4. Repeal of Karnataka Ordinance No. 4 of 1969 :-

The Karnataka Education Cess (Validation of Levy) Ordinance, 1969 (Karnataka Ordinance No. 4 of 1969) is hereby repealed.