

## **KARNATAKA MOTOR VEHICLES TAXATION ACT, 1957**

**35 of 1957**

**[13th November, 1957]**

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**SCHEDULE 1 :-** Schedule

**KARNATAKA MOTOR VEHICLES TAXATION ACT, 1957**

**35 of 1957**

**[13th November, 1957]**

An Act to consolidate and amend the law relating to the levy of tax on motor vehicles in the State of Karnataka. Whereas it is expedient to consolidate and amend the law relating to the levy of tax on motor vehicles in the State of Karnataka. Be it enacted by the Karnataka State Legislature in the Eighth Year of the Republic of India as follows:

CHAPTER 1

Preliminary

**1. Short title, extent and commencement :-**

(1) This Act may be called the Karnataka Motor Vehicles Taxation Act, 1957.

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

**1** [(3) It shall come into force on such date as the State Government may, by notification, appoint.

1. This Act has come into force on 1-1-1958.

**2. Definitions :-**

(1) In this Act, unless the context otherwise requires,

**1** [(a) "Classic car" means a motor car manufactured during the period between the year 1940 and 1949 and registered **2**[x x x x x] under Section 39 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)];

**3** [(aa)] "Fleet owner" means a person who is the registered owner of a fleet of **4**[five hundred or more public service vehicles;]

**5**[(b) "Taxation authority" means

(i) in the case of a fleet owner, the Commissioner for Transport or any other officer appointed by the State Government in this behalf; and

(ii) in other cases, such officer as may be appointed by the State Government to exercise the powers and perform the functions of the taxation authority under this Act;]

(c) "Local authority" includes a cantonment authority within the meaning of the Cantonments Act, 1924 (Central Act II of 1924);

(d) "Notification" means a notification published in the Official Gazette;

(e) "Prescribed" means prescribed by rules made under this Act;

**6**[(ee) "Private service vehicle" means an omnibus constructed or adapted to carry more than nine persons (excluding the driver) and used by or on behalf of the owner of such vehicle for the purpose of carrying persons for or in connection with his trade or business or otherwise than for hire or reward;]

(f) "Registered owner" means the person in whose name a motor vehicle is registered under the 2Motor Vehicles Act, 1939 (Central Act IV of 1939);

(g) "Schedule" means a Schedule annexed to this Act;

**7**[(h) "Taxation card" means a taxation card issued under Section 5 and includes a fresh taxation card issued in place of the original taxation card under sub-section (2) of Section 6;]

**8**[(hh) "Vintage Car" means a motor car manufactured during the year 1939 and earlier and duly registered <sup>**9**</sup>[x x x x x] under Section 39 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)];

**10** [(i) "Year" means

(i) in relation to a fleet owner, the financial year; and

(ii) in other cases, a period of twelve calendar months commencing from the first day of the month in which the motor vehicle concerned is registered or a new registration mark is assigned to it under the Motor Vehicles Act, 1939 (Central Act IV of 1939); 'half

year' means the first six months or the second six months of such year or the said period of twelve calendar months; and 'quarter' means the first three months or the second three months of the half-year;]

(j) Words and expressions used but not defined in this Act, shall have the meanings assigned to them in the motor Vehicles Act, 1939 (Central Act IV of 1939).

(2) The Mysore General Clauses Act, 1899(Mysore Act III of 1899), shall apply for the interpretation of this Act, as it applies for the interpretation of a Karnataka Act.

1. Clause (a) inserted by Act No. 10 of 1991, S. 2(1), w.e.f. 1-4-1991.

2. The words "with Karnataka Vintage and Classic Car Club, in addition to the registration of vehicle" omitted by Act No. 12 of 1993, S. 2(1), w.e.f. 1-4-1993.

3. Clause (a) renumbered as clause (aa) by Act No. 10 of 1991, S. 2(1), w.e.f. 1-4-1991.

4. Substituted for the words "one hundred or more transport vehicles" by Act No. 8 of 1986, S. 2, w.e.f. 1-4-1986.

5. Clause (b) substituted by Act No. 38 of 1976, S. 2(1), w.e.f. 1-1-1977.

6. Clause (ee) inserted by Act No. 28 of 1984, S. 2, w.e.f. 5-5-1984.

7. Clause (h) substituted by Act No. 38 of 1976, S. 2(2), w.e.f. 1-1-1977.

8. Clause (hh) inserted by Act No. 10 of 1991, S. 2(2), w.e.f. 1-4-1991.

9. The words "with Karnataka Vintage and Classic Car club, in addition to the registration of vehicle" omitted by Act No. 12 of 1993, S. 2(2), w.e.f. 1-4-1993.

10. Clause (i) substituted by Act No. 38 of 1976, S. 2(3), w.e.f. 1-1-1977.

## CHAPTER 2

### Taxation

### **3. Levy of tax :-**

(1) A tax at the rates specified in Part A of the Schedule shall be levied on all motor vehicles suitable for use on roads, <sup>1</sup>[x x x x xl. <sup>2</sup>[x x x x x].

<sup>3</sup>[Provided that in the case of a motor cycle (including motor scooter and cycle with attachment for propelling the same by mechanical power) <sup>4</sup>[other than those owned by Central

Government employees or Defence personnel] the tax shall be levied at the rates specified in Part<sup>5</sup>[A1] of the Schedule:]

**6**[Provided further that in the case of tractors, trailers and power tiller trailers,

(a) owned by agriculturists and whose main source of income is from agriculture;

(b) owned by agricultural Co-operative Societies including Vyavasaya Seva Sahakari Sangha Niyamitha, Raitha Seva Sahakari Sangha Niyamitha, Sericulture-cum-Farmers Co-operative Societies, Large Sized Co-operative Societies, Co-operative Agricultural Banks, Small Sized Co-operative Societies, Agricultural Credit Societies, Multipurpose Co-operative Credit Societies, Doddapramanada Prathamika Pathina Sahakari Sangha, Primary Co-operative Agriculture and Rural Development Bank and Services Co-operative Societies; and

(c) not falling under clauses (a) and (b) above but used exclusively for carrying out such agricultural operations as may be prescribed, the tax shall be levied at the rates specified in Part <sup>7</sup>[A2] of the Schedule.]

**8**[Provided also that in case of Vintage car and Classic car, the tax shall be levied at the rates specified in Part <sup>9</sup>[A3] of the Schedule.]

**10**[Frovided also that:\_\_\_\_\_

**11**[(a) in case of three wheelers including autorickshaws vised for transportation of goods not exceeding 1000 kgs. in weight laden and vehicles permitted to carry three passengers (excluding driver) either used for hire or reward or not, the tax shall<sup>1</sup> be levied at the rates specified in Part A-4 of the Schedule.

**12**[(b) in case of motor cars including jeeps (other than those owned by companies, Central Government employees or defence personnel and imported cars of the year, 1985 and later models) and omni buses and private service vehicles having floor area not exceeding <sup>13</sup>[five square meters], tax shall be levied at the rate specified in part "A-5" of the Schedule.]]

Explanation. A motor vehicle of which the certificate of registration is current shall, for the purposes of this Act, be deemed to be a vehicle suitable for use on roads.

(2) Notwithstanding anything contained in sub-section (1), <sup>14</sup>[or Section 4] taxes at the rates specified in Part B of the Schedule shall be levied on motor vehicles <sup>15</sup>[suitable for use on roads, which are in the State] for periods shorter than a quarter, but not exceeding thirty days.

(3) In the case of motor vehicles in respect of which any reciprocal arrangement relating to taxation has been entered into between the Government of Karnataka and any other State Government, the levy of tax shall, notwithstanding anything contained in this Act, be in accordance with the terms and conditions of such reciprocal arrangement:

Provided that the tax leviable under any such arrangement shall not exceed the tax leviable under the Schedule:

Provided further that the terms and conditions of every such reciprocal arrangement shall be published in the Official Gazette, and a copy thereof shall be laid before the State Legislative Assembly.

**16** [(4) Notwithstanding anything contained in sub-sections (1) and (2), a special additional tax at the rates specified in Part 'D' of the Schedule shall be levied on motor vehicles suitable for use on roads carrying passengers or goods in excess of the permitted capacity of the vehicles.]

1. The words "kept in the State of Karnataka" omitted by Act No. 38 of 1976, S. 3(l)(i), w.e.f. 1-7-1976.

2. Proviso omitted by Act No. 38 of 1976, S. 3(l)(ii), w.e.f. 1-7-1976.

3. Proviso inserted by Act No. 8 of 1986, S. 3, w.e.f. 1-4-1986.

4. Inserted by Act No. 8 of 1997, w.e.f. 1-4-1997.

5. Substituted for the letters "AA" by Act No. 7 of 1995, S. 2(i), w.e.f. 1-4-1995.

6. Second proviso inserted by Act No. 12 of 1990, S. 2, w.e.f. 1-4-1990.

7. Substituted for the letters "AAA" by Act No. 7 of 1995, S. 2(i), w.e.f. 1-4-1995.

8. Third proviso inserted by Act No. 10 of 1991, S. 3, w.e.f. 1-4-1991.

9. Substituted for the letters "AAAA" by Act No. 7 of 1995, S. 2(i), w.e.f. 1-4-1995.

10. Fourth proviso inserted by Act No. 7 of 1995, S. 3(ii), w.e.f. 1-4-1995.

11. Clauses (a) and (b) substituted by Act No. 8 of 1997, w.e.f. 1-4-1997.

12. Clause (b) substituted by Act No. 13 of 1997 and shall be deemed to have come into force w.e.f. 1-4-1997.
13. Substituted for the words "four square meters" by Act No. 6 of 2000, w.e.f. 1-4-2000
14. Inserted by Act No. 38 of 1976, S. 3(2)(i), w.e.f. 1-7-1976.
15. Substituted for the words "belonging to or in the possession or control of persons, not ordinarily residing in the State of Karnataka and kept in the State of Karnataka by such persons" by Act No. 38 of 1976, S. 3(2)(ii), w.e.f. 1-7-1976.
16. Sub-section (4) inserted by Act No. 14 of 1989, S. 2, w.e.f. 1-4-1989.

### **3A. Levy of Cess :-**

**1**

(1) There shall be levied and collected by way of cess <sup>2</sup>[for a period of <sup>3</sup>[four years] with effect from the First day of April, 1998 for the purpose of equity investment in the <sup>4</sup>[Infrastructure Development Corporation (Karnataka) Limited and Bangalore Mass Rapid Transit Limited in the proportion of 67:33 respectively], a tax at the rate of five per centum of the tax levied under Section 3 on motor vehicles registered, under the Motor Vehicles Act, 1988 (Central Act 59 of 1988), <sup>5</sup>[x x x x x.]

(2) The cess levied under sub-section (1) shall be in addition to any tax levied under Section 3.

(3) The provisions of the Act and the rules made thereunder including those relating to refund or exemption from tax shall, so far as may be, apply in relation to the levy, assessment and collection of the cess payable under sub-section (1), as they apply in relation to the levy, assessment and collection of motor vehicles tax under this Act.

**6** [Explanation: x x x x x.]

1. Section 3-A inserted by Act No. 7 of 1995, S. 3, w.e.f. 1-4-1995.
2. Substituted for the words "for the purpose of Bangalore Mass Rapid Transit System" by Act No. 4 of 1998, w.e.f. 1-4-1998.
3. Substituted for the words "two years" by Act No. 6 of 2000, w.e.f. 1-4-2000
4. Substituted for the words "Karnataka Infrastructure Development and Finance Corporation" by Act No. 32 of 2000 and shall be deemed to have come into force w.e.f. 1-4-1998
5. The words "within the limits of Bangalore City Planning Area" omitted by Act No. 4 of 1998, w.e.f. 1-4-1998.
6. Explanation omitted by Act No. 4 of 1998, w.e.f. 1-4-1998.

### **3B. Levy of additional surcharge :-**

**1** . x x x x x.]

1. Section 3-B inserted by Act No. 21 of 1979, S. 2(1), w.e.f. 31-3-1979 and omitted by Act No. 30 of 1985, S. 2, w.e.f. 1-8-1985.

### **3C. Levy of cess :-**

**1** x x x x x.]

1. Section 3-C inserted by Act No. 12 of 1984, S. 2, w.e.f. 1-4-1984 and omitted by Act No. 30 of 1985, S. 2, w.e.f. 1-8-1985.

### **4. Payment of tax :-**

(1) The tax levied under Section 3 shall be paid in advance by the registered owner or person having possession or control of the motor vehicle, for a quarter, half-year or year, at his choice, **1**[within **2**[fifteen days] from the commencement of such quarter, half-year or year, as the case may be:]

**3**[Provided that the tax in respect of vehicles specified in item and 14(2) of Part 'A' of the Schedule shall be paid annually subject to such conditions as may be specified by the Government from time to time:]**4**[x x x x x:]

(Provided also that notwithstanding anything in this sub-section such tax may be paid in advance in a lumpsum by such owner or person at his choice, for a period of five years or ten years within fifteen days from the commencement of the first year of such period of five years or ten years:]

[Provided also that in case of three wheelers including autorickshaws used for transportation of goods not exceeding 1000 kgs. in weight laden and vehicles permitted to carry three passengers (excluding driver) either for hire or reward or not **5**[motor cars including jeeps (other than those owned by companies, Central Government Employees or Defence personnel and imported cars of the year 1985 and later models) and omni buses and private service vehicles having floor area not exceeding **6**[five square meters]] specified in the fourth proviso to sub-section (1) of Section 3 in respect of which tax is already paid prior to the first day of April, 1997, the tax specified in the fourth proviso to sub-section (1) of Section 3 shall be levied after the expiry of the period for which tax is paid under sub-section (I) and the tax shall be paid within one month from the date of expiry of the said



period.]

**7**[Provided further that in case of Vintage car and Classic car specified in third proviso to sub-section (1) of Section 3, in respect of which tax is already paid prior to 1st day of April, 1991, the tax specified in the third proviso to sub-section (1) of Section 3 shall be levied after the expiry of the period for which the tax is paid under sub-section (1) and such tax shall be paid within one month from the date of expiry of the said period.]

**8**[Explanation. The tax for half-year shall be double the tax for a quarter and the tax for a year shall be four times the tax for a quarter.]

(2) In case of half yearly and annual **9**[payments], **10**[or payments for the period of five years or ten years] such rebate in respect of the tax as may be prescribed shall be granted.

**11**[(3) Notwithstanding anything contained in the preceding subsections, the **12**[tax levied under the proviso] to sub-section (1) of

Provided that the motor cycle in respect of which the tax is already paid under sub-section (1) of Section 3 prior to the First day of April, 1986, tax specified under the first proviso to sub-section (1) of Section 3 shall be levied after the expiry of the period for which the tax paid under sub-section (1) and such tax shall be paid within one month from the date of expiry of the said period:]

[Provided further that in the case of tractors, trailers and power tiller trailers specified in the second proviso to sub-section (1) of Section 3, in respect of which the tax is already paid under that sub-section prior to the First day of April, 1990, the tax specified under the second proviso to sub-section (1) of Section 3 shall be levied after the expiry of the period for which the tax is paid under sub-section (1) and such tax shall be paid within one month from the date of expiry of the said period.]

**13** [(4) Whenever there is a revision of tax, the difference of tax for the month or part thereof shall be paid at the rate of 1/3rd of the quarterly tax, or 1/12th of the annual tax payable on or before the last date fixed under sub-section (1) for payment of tax for the next quarter, or the year as the case may be.]

1. Substituted for the words "and on such payment he shall be granted a quarterly, half-yearly or annual licence, as the case may be" by Act No. 38 of 1976, S. 4(l)(i), w.e.f. 1-7-1976.
2. Substituted for the words "ten days" by Act No. 39 of 1981, S. 3, w.e.f. 12-8-1981.
3. First proviso substituted by Act No. 8 of 1997, w.e.f. 1-4-1997.
4. Second proviso omitted by Act No. 8 of 1997, w.e.f. 1-4-1997.
5. Substituted for the words and figures "motor cars including Jeeps, Omni buses and private service vehicles having floor area of not exceeding 4 square meters other than those owned by Companies and imported cars of the year 1985 and later models and those owned by Central Government or defence personnel" by Act No. 13 of 1997 and shall be deemed to have come into force w.e.f. 1-4-1997.
6. Substituted for the words "four square meters" by Act No. 6 of 2000, w.e.f. 1-4-2000
7. Fifth proviso inserted by Act No. 10 of 1991, S. 4, w.e.f. 1-4-1991.
8. Explanation substituted by Act No. 38 of 1976, S. 4(l)(iii), w.e.f. 1-1-1977.
9. Substituted for the word "licences" by Act No. 38 of 1976, S. 4(2), w.e.f. 1-1-1977.
10. Inserted by Act No. 8 of 1983, S. 2(ii), w.e.f. 1-4-1983.
11. Sub-section (3) inserted by Act No. 8 of 1986, S. 4, w.e.f. 1-4-1986.
12. Substituted for the words "tax levied under the proviso" by Act No. 12 of 1990, S. 3(2)(a), w.e.f. 1-4-1990.
13. Sub-section (4) inserted by Act No. 7 of 1992, S. 2, w.e.f. 1-4-1992.

#### **4A. Rounding off of tax, etc :-**

**1** The amount of tax (including tax payable in advance), penalty or any other amount payable and the amount of refund due, under this Act shall be rounded off to the nearest rupee and for this purpose, where such amount contains, a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise, it shall be ignored.]

1. Section 4-A inserted by Act No. 14 of 1989, S. 4, w.e.f. 1-4-1989.

#### **5. Issue of taxation card :-**

**1**

(1) When the tax levied under Section 3 in respect of a motor vehicle is paid, the taxation authority shall issue to the person paying the tax.

(a) a receipt in the prescribed form indicating therein the amount of tax paid; and

(b) a taxation card in the prescribed form indicating therein the rate at which the tax is leviable and the period for which the tax has been paid:

Provided that where a taxation card has already been issued in respect of a motor vehicle, the taxation authority shall, on payment of tax as aforesaid, cause to be made in the taxation card an entry of such payment and the period to which it relates.

(2) No motor vehicle liable to tax under Section 3, shall be held in the custody of any person unless the registered owner or person having possession or control of such vehicle has obtained a taxation card under sub-section (1) in respect of that vehicle.

(3) No motor vehicle liable to tax under Section 3 shall be used on any road or in a public place unless a valid taxation card obtained under sub-section (1) is carried in the vehicle.]

1. Section 5 substituted by Act No. 38 of 1976, S. 5, w.e.f. 1-1-1977.

**6. Declaration by owner or person having possession of a vehicle :-**

(1) Every registered owner of, or person who has possession or control of, a motor vehicle liable to tax under this Act shall fill up and sign a declaration in the prescribed form, giving the prescribed particulars and shall deliver within the prescribed time the declaration to a <sup>1</sup>[Taxation Authority] and shall pay to the <sup>2</sup>[said Authority] the tax which he is liable to pay in respect of such vehicle.

(2) When a motor vehicle liable to tax under this Act is altered so as to render the registered owner or person who is in possession or control of such vehicle liable to the payment of an additional tax under Section 8, such registered owner or person, as the case may be, shall fill up and sign an additional declaration in the prescribed form showing the nature of the alteration made and containing the prescribed particulars, and shall deliver such additional declaration together with the <sup>3</sup>[taxation card] in respect of the motor vehicle to a <sup>4</sup>[Taxation Authority] and shall pay to the <sup>5</sup>[Taxation Authority] the additional tax payable under Section 8. On receipt of such

additional tax, the <sup>6</sup>[Taxation Authority] shall issue to such owner or person a fresh <sup>7</sup>[taxation card] in place of the <sup>8</sup>[original taxation card] and shall cause an entry about such payment to be made in the <sup>9</sup>[taxation card.]

(3) Such owner or person shall, at the time of making payment of the tax under sub-section (1) or the additional tax under sub-section (2), produce before the <sup>10</sup> [Taxation Authority] a valid certificate of insurance in respect of the vehicle complying with the requirements of Chapter VIII of the Motor Vehicles Act, 1939.

1. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 6(1), w.e.f. 1-1-1977.
2. Substituted for the words "said Officer" by Act No. 38 of 1976, S. 6(1), w.e.f. 1-1-1977.
3. Substituted for the words "tax licence" by Act No. 38 of 1976, S. 6(2)(i), w.e.f. 1-1-1977.
4. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 6(2)(i), w.e.f. 1-1-1977.
5. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 6(2)(i), w.e.f. 1-1-1977.
6. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 6(2)(i), w.e.f. 1-1-1977.
7. Substituted for the words "tax licence" by Act No. 38 of 1976, S. 6(2)(i), w.e.f. 1-1-1977.
8. Substituted for the words "original licence" by Act No. 38 of 1976, S. 6(2)(ii), w.e.f. 1-1-1977.
9. Substituted for the words "tax licence" by Act No. 38 of 1976, S. 6(2)(i), w.e.f. 1-1-1977.
10. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 6(3), w.e.f. 1-1-1977.

## **7. Refund of tax :-**

(1) Where a tax on any motor vehicle has been paid for any period and it is proved to the satisfaction of the prescribed authority that the vehicle has not been used during the whole of that period, or a continuous part thereof, not being less than one calendar month, a refund shall be made of such portion of the tax and subject to such conditions as may be prescribed.

(2) When a motor vehicle in respect of which the tax has been paid is altered in such manner as to cause it to become a vehicle in respect of which the tax is leviable at a lower rate, the person who has paid such tax shall be entitled on the production of a certificate signed by a registering authority stating that the vehicle had been so altered to a refund of a sum equal to the difference between the

amount which would be refundable to him in accordance with the provisions of subsection (1), on the surrender of the [taxation card] and the amount of the tax leviable on such vehicle at the lower rate.

**1**[(3) Notwithstanding anything contained in sub- sections (1) and (2), where tax has been paid under sub-section (3) of Section 4, the registered owner who has paid such tax shall be entitled to a refund of tax at the rate specified in **2**[Part C, Part CI, Part C2 and Part C3], as the case may bet of the Schedule in the case of.

(i) removal of the vehicle to any other State on transfer of ownership or change of address; or

(ii) cancellation of registration of vehicle on account of scrapping of such vehicle due to accidents or other causes:

Provided that in the case of removal of vehicle outside the State of Karnataka on transfer of ownership or on change of address the refund of tax will be considered only after receipt of proof for having effected the transfer of ownership or change of address.

(4) Where a tax on any motor vehicle is paid in excess of the tax payable, the excess payment of tax so made may be adjusted towards any of the subsequent periods in respect of which the tax is due].

**3**[(5) Notwithstanding anything contained in this Act and the Rules made thereunder, no refund of tax shall be allowed in respect of vehicles classified as Vintage or Classic cars where the tax is paid for the life time of the vehicle as per sub-section (1) of Section 3 of the Act, either on lemoval of the vehicle to any other State on transfer of ownership or on change of address or on the cancellation of registration.]

**4** [Explanation. For the purpose of this section tax includes surcharge and additional surcharge payable under Sections 3-A and 3-B.]

1. Sub-sections (3) and (4) inserted by Act No. 8 of 1986, S. 5, w.e.f. 1-4-1986.

2. Substituted for the words and letters "Part 'C' or Part 'CC" by Act No. 7 of 1995, S. 5, w.e.f. 1-4-1995.

3. Sub-section (5) inserted by Act No. 10 of 1991, S. 5, w.e.f. 1-4-1991.

4. Explanation inserted by Act No. 28 of 1984, S. 3, w.e.f. 5-5-

1984.

### **8. Payment of additional tax :-**

When any motor vehicle in respect of which a tax has been paid is altered or proposed to be used in such a manner as to cause the vehicle to become a vehicle in respect of which a higher rate of tax is payable, the registered owner or person who is in possession or control of such vehicle shall pay an additional tax of a sum which is equal to the difference between the tax already paid and the tax which is payable in respect of such vehicle for the period for which the higher rate of tax is payable in consequence of its being altered or so proposed to be used and <sup>1</sup>[Taxation Authority] shall not grant a fresh <sup>2</sup> [taxation card] in respect of such vehicle so altered or proposed to be so used until such amount of tax has been paid.

1. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 8, w.e.f. 1-1-1977.

2. Substituted for the words "tax licence" by Act No. 38 of 1976, S. 8, w.e.f. 1-1-1977.

### **8A. Collection of tax escaping payment :-**

<sup>1</sup> If at any time it is found that the amount of tax paid for any period in respect of any motor vehicle falls short of the tax payable under this Act, then, notwithstanding any incorrect entry or the absence of any entry in the certificate of registration relating to the motor vehicle regarding the tax payable in respect of such vehicle or the issue of a taxation card or an entry having been made in such taxation card regarding the payment of tax for such period, the taxation authority may, after notice to the registered owner or person having possession or control of the motor vehicle and giving him an opportunity of being heard recover the difference between the tax so paid and the tax payable by such owner or person.]

1. Section 8-A inserted by Act No. 38 of 1976, S. 9, w.e.f. 1-1-1977.

### **8B. Further additional Tax for misuse of motor vehicle :-**

When any motor vehicle in respect of which tax has been paid is misused or used not in accordance with the purpose for which the vehicle is registered or the permit is granted or is used in such manner as to cause the vehicle to become a vehicle in respect of which a higher rate of tax is payable, the registered owner or person who is in possession or control of such vehicle, shall for such misuse other than the one under sub-section (4) of Section 3, pay a further additional tax of a sum which is equal to double the

difference between the tax already paid and the tax which is payable in respect of such vehicle for the period for which the higher rate of tax is payable in consequence of its being misused or used not in accordance with the purpose for which the vehicle is registered or the permit is granted.]

**9. Liability to, pay arrears of tax :-**

(1) If the tax leviable in respect of any motor vehicle remains unpaid by any person liable for the payment thereof and such person before having paid the tax has transferred the ownership of such vehicle or has ceased to be in possession or control of such vehicle, the person to whom the ownership of the vehicle has been transferred or the person who has possession or control of such vehicle shall be liable to pay the said tax to the <sup>1</sup> [Taxation Authority.]

(2) Nothing contained in this section shall be deemed to affect the liability of the person, who has transferred the ownership or has ceased to be in possession or control of the vehicle, to pay the said tax.

1. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 10, w.e.f. 1-1-1977.

**10. Levy of tax, etc. in the case of fleet owner :-**

<sup>1</sup>[Notwithstanding anything contained in Sections 3, 6 and 7 a tax shall be levied <sup>2</sup>[on the gross revenue from fares and freights of Public Service Vehicles Owned by a fleet owner at the rates of.

(i) <sup>3</sup>[three percentum] in respect of public service vehicles operating within the limits of a city and within the radius of twenty five kilometers from the limits of the city as defined in Clause (4) of Section 2 of the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1976); and

(ii) <sup>4</sup>[six percenrum] in other cases.]

(a) In order to determine the amount of tax payable by a fleet owner in any year, before the commencement of such year, the fleet owner shall first make and deliver to the <sup>5</sup>[Taxation Authority] a preliminary declaration in the prescribed form <sup>6</sup>[estimated gross revenue from fares and freights] in respect of the transport vehicles liable to tax under this Act kept by him <sup>7</sup>[on the last day of January] of the year immediately preceding the year -for which

such declaration is made. Such declaration shall be accompanied by a certificate of final assessment of tax, if any, issued by the <sup>8</sup>[Taxation Authority] for such previous year and such other documents as may be prescribed.]

<sup>9</sup>[(b) As soon as may be after receipt of such preliminary declaration, the taxation authority shall, on the basis <sup>10</sup>[three per centum or six per centum as the case may be] of the estimated revenue by way of fares and freights declared for the said year under clause (a) of this section and communicate the same to the fleet owner by issuing a certificate of provisional assessment of tax for the year in such form as may be prescribed.]

<sup>11</sup>[(c) The amount of tax provisionally determined under clause (b) shall be paid by the fleet owner within such period from the date of receipt of the certificate of provisional assessment and in such number of instalments not exceeding twelve as the taxation authority may specify.]

(d) <sup>12</sup>[The fleet owner shall, after the close of the year] fill up and sign a final declaration in the prescribed form <sup>13</sup>[along with a certified copy of the audited accounts of the fares and freights collected during that year] in respect of the transport vehicles liable to tax under this Act kept by him <sup>14</sup>[during that year] and shall deliver within the prescribed time the final declaration so filled in and signed to the <sup>15</sup>[Taxation Authority.] Such declaration shall be accompanied by the certificate of provisional assessment of tax issued by the <sup>16</sup>[Taxation Authority] for the year and such other document as may be prescribed.

<sup>17</sup>[(e) On receipt of such final declaration in the prescribed form along with a certified copy of the audited accounts of fares and freights collected during that year and such other particulars as may be deemed necessary, the Taxation Authority shall finally determine the amount of tax leviable at the rate specified under this section on public service vehicle of such fleet owner and by issuing a certificate of final

(f) When the amount of tax is finally determined under clause (e) taking into consideration the amount paid by the fleet owner under clause (c), the difference that may be due shall be paid by, or refunded to, the fleet owner in such manner and within such time as may be prescribed:



**18**[x x x x x.]

**19**[Provided that the fleet owner shall be entitled to a proportionate reduction in the amount of tax finally determined, in respect of any motor vehicle which is certified by the Commissioner for Transport as not used for a period of one calendar month or more subject to the condition that the fleet owner has intimated the fact of non-user of the motor vehicle to the Commissioner for Transport within seven days of the date of commencement of the period of non-user.]

(g) Within thirty days of the transfer of ownership of any of his transport vehicles, the fleet owner shall report the transfer to the **20**[Taxation Authority.]

(h) The **21** [Taxation Authority] may for the purposes of this section require the fleet owner to produce before him any transport vehicle or any accounts, registers, records or other documents or to furnish any information or may examine the vehicles or the accounts, registers, records or other documents and the fleet owner shall comply with any such requirement made of him.

1. Substituted for the words and figures "In the case of a fleet owner, the provisions of Sections 3, 6 and 7 shall, so far as may be apply subject to the following modifications, namely," by Act No. 8 of 1986, S. 6(1), w.e.f. 1-4-1986.

2. Substituted for the words "at twelve percentum of the gross revenue from fares and freights of public service vehicles owned by a fleet owner" by Act No. 8 of 1997, w.e.f. 1-4-1997.

3. Substituted for the words "five percentum" by Act No. 5 of 1999, w.e.f. 1-4-1999

4. Substituted for the words "eight percentum" by Act No. 5 of 1999, w.e.f. 1-4-1999

5. Substituted for the words "Commissioner for Transport" by Act No. 38 of 1976, S. 11(1), w.e.f. 1-1-1977.

6. Substituted for the words "stating the prescribed particulars" by Act No. 8 of 1986, S. 6(2), w.e.f. 1-4-1986.

7. Substituted for the words "on the last day of February" by Act No. 38 of 1976, S. 11(2), w.e.f. 1-1-1977.

8. Substituted for the words "Commissioner for Transport" by Act No. 38 of 1976, S. 11(1), w.e.f. 1-1-1977.

9. Clause (b) substituted by Act No. 8 of 1986, S. 6(3), w.e.f. 1-4-1986.

10. Substituted for the words "five percentum or eight percentum as the case may be" by Act No. 5 of 1999, w.e.f. 1-4-1999.

11. Clause (c) substituted by Act No. 38 of 1976, S. 11(4), w.e.f. 1-1-1977.

12. Substituted for the words "The fleet owner shall then" by Act No. 38 of 1976, S. 11(5), w.e.f. 1-1-1977.
13. Substituted for the words "stating prescribed particulars" by Act No. 8 of 1986, w.e.f. 1-4-1986.
14. Substituted for the words "in the current year" by Act No. 38 of 1976, S. 11(5), w.e.f. 1-1-1977.
15. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 11(1), w.e.f. 1-1-1977.
16. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 11(1), w.e.f. 1-1-1977.
17. Clause (e) substituted by Act No. 7 of 1995, S. 6(b), w.e.f. 1-4-1995.
18. Proviso omitted by Act No. 38 of 1976, w.e.f. 1-1-1977.
19. Proviso inserted by Act No. 39 of 1981, S. 4, w.e.f. 12-8-1981.
20. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 11(1), w.e.f. 1-1-1977.
21. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 11(1), w.e.f. 1-1-1977.

**10A. Tax free taxation card :-**

<sup>1</sup>Notwithstanding anything contained in the preceding sections, a motor vehicle exempted from tax <sup>2</sup> [x x x x] under Section 16, shall carry in the vehicle a tax free taxation card, obtained from a taxation authority on payment of the prescribed fee.]

1. Section 10-A inserted by Act No. 38 of 1976, S. 12, w.e.f. 1-1-1977.
2. The words, brackets and figures "under reciprocal arrangement referred to in sub-section (3) of Section 3 or" omitted by Act No. 39 of 1981, S. 5, w.e.f. 12-8-1981.

**11. Power of an Officer of Police or the Motor Vehicles Department to stop a motor vehicle :-**

Any Police Officer or Officer of the Motor Vehicles Department, in uniform, not below such rank as may be prescribed by the State Government; in this behalf, may require the driver of any motor vehicle in any public place to stop such vehicle and cause it to remain stationary so long as may reasonably be necessary for the purpose of satisfying himself that the amount of the tax due in accordance with the provisions of this Act in respect of such vehicle has been paid.

**11A. Power to [seize, detain and sell] vehicles :-**

<sup>123</sup>[(1)] Without prejudice to the provisions of Sections 13 and 14, where any tax due in respect of any motor vehicle has not been paid within the period specified in Section 4, such officer

(i) of the Motor Vehicles Department and below the rank of an Inspector of Motor Vehicles; or

(ii) of the Police Department not below the rank of an Inspector of Police, as the State Government may empower in this behalf, may, subject to such rules as may be prescribed, seize and detain such vehicle and for this purpose, take or cause to be taken all steps for the safe custody of the vehicle, until the tax due in respect of the vehicle is paid.]

**4** [(2) If the tax due in respect of the vehicle seized and detained under sub-section (1), is not paid within thirty days from the date of such seizure and detention, the officer empowered by the State Government may, after giving a notice in writing to the registered owner and the person who had the possession or control of the vehicle immediately before such seizure and detention, and considering their objections, if any, recover the tax due by sale of such vehicle in the manner prescribed:

Provided that the vehicle shall not be sold if the tax due is paid at any time before sale.]

1. Substituted for the words "seize and detain" by Act No. 32 of 1987, S. 2(i), w.e.f. 13-11-1987.

2. Section 11-A inserted by Act No. 38 of 1976, S. 13, w.e.f. 1-1-1977.

3. Section 11-A renumbered as sub-section (1) thereof by Act No. 32 of 1987, S. 2(ii), w.e.f. 13-11-1987.

4. Sub-section (2) inserted by Act No. 32 of 1987, S. 2(ii), w.e.f. 13-11-1987.

## **12. Penalties :-**

(1) Whoever

(a) as a registered owner or otherwise has possession or control of any motor vehicle liable to tax under this Act without having paid the amount of the tax or additional tax due in accordance with the provisions of this Act in respect of such vehicle, or

(b) delivers a declaration or additional declaration wherein the particulars required by or under this Act to be therein set forth are not fully and truly stated, shall, on conviction, be punishable with fine which shall not be less than a sum equal to the quarterly tax payable in respect of such vehicle and which may extend to a sum equal to the annual tax payable in respect of such vehicle; and in

the event of such person having been previously convicted of an offence under this section with fine which shall not be less than a sum equal to the tax payable in respect of such vehicle for two quarters and which may extend to a sum equal to twice the annual tax payable in respect of such vehicle; and the amount of any tax due shall be recoverable as if it were a fine.

**1** [(2)omited x x x x x].

(3) Whoever

(a) contravenes the provisions of sub-section (3) of Section 5; or

(b) fails to stop a motor vehicle when required to do so by any officer under Section 11, shall on conviction be punishable with the fine which may extend to fifty rupees.

(4) Whoever contravenes any of the provisions of this Act other than those punishable under sub-sections (1) and (3) shall, on conviction, be punishable with fine which may extend to one hundred rupees.

1. Sub-section (2) omitted by Act No. 38 of 1976, S. 14, w.e.f. 1-1-1977.

#### **12A. Trial of offences :-**

**1** No Court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the First Class shall try an offence punishable under this Act or any rule made thereunder.

1. Sections 12-A and 12-B inserted by Act No.38 of 1976, S. 15, w.e.f. 1-1-1977.

#### **12B. Composition of offences :-**

The prescribed officer may accept, in the prescribed manner, from any person who has committed or is reasonably suspected of having committed an offence punishable under sub-sections (1) and (3) of Section 12 such sum of money as may be prescribed, by way of composition of the offence which such person has committed or is reasonably suspected of having committed and on the payment of such sum of money to the prescribed officer such person, if in custody, shall be set at liberty and no further proceedings shall be taken against such person with reference to the same Act.]

#### **13. Tax leviable as arrear of land revenue :-**

Any tax due under this Act shall be leviable as an arrear of land

revenue. The motor vehicle in respect of which the tax is due or its accessories may be distrained or sold, whether or not such vehicle or accessories are in the possession or control of the person liable to pay the tax.

#### **14. Transport vehicle permit to be ineffective if tax not paid**

:-

Notwithstanding the provisions of the Motor Vehicles Act, 1939 (Central Act IV of 1939), if the tax or the instalment due in respect of a transport vehicle is not paid within the prescribed period the validity of the permit for the vehicle shall become ineffective from the date of expiry of the said period until such time as the tax is actually paid.

#### **15. Appeals :-**

Any person, who is aggrieved by any order of a <sup>1</sup> [Taxation Authority] made under this Act, may within the prescribed time and in the prescribed manner, appeal to the prescribed authority.

1. Substituted for the words "Licensing Officer" by Act No. 38 of 1976, S. 16, w.e.f. 1-1-1977.

#### **15A. Revision :-**

<sup>1</sup>The Commissioner for Transport may <sup>2</sup> [x x x x x] call for and examine the records of any proceedings under this Act of any authority subordinate to him for the purpose of satisfying himself as to the correctness, legality, or propriety of such proceedings and may either annul, reverse, modify or confirm such order or pass such order as he may deem fit: Provided that no order shall be annulled, reversed or modified except after giving a reasonable opportunity of being heard to the person affected by that order.]

1. Section 15-A inserted by Act No. 38 of 1976, S. 17, w.e.f. 1-1-1977.

2. The words "either of his own motion or on an application made by any aggrieved person" omitted by Act No. 39 of 1981, S. 6, w.e.f. 12-8-1981.

#### **16. Exemption from or reduction of tax :-**

(1) The State Government, if in its opinion it is necessary in public interest so to do, may by notification <sup>1</sup>[and subject to such restrictions and conditions as may be specified in the notification.]

<sup>2</sup>[(a) exempt or reduce whether prospectively or retrospectively the tax payable in respect of

(i) any class of motor vehicles, or

(ii) motor vehicles not used on roads.]

(b) reduce the rate of tax payable in respect of any class of motor vehicles plying on any route or routes specified in the notification.

(2) Every notification under sub-section (1) shall be laid as soon as may be after it is issued, before the State Legislative Assembly while it is in session, for a total period of thirty days which may be comprised in one session for in two or more sessions and if before the expiry of that period, the State Legislative Assembly makes any modification in the notification or directs that the notification shall not have effect, the notification shall thereafter have effect only in such modified form or be of no effect as the case may be.

**3** [(3)omited x x x x x].

1. Inserted by Act No. 29 of 1958, S. 2(i) and shall be deemed always to have been inserted.

2. Clause (a) substituted by Act No. 29 of 1958 and shall be deemed always to have been substituted.

3. Sub-section (3) omitted by Act No. 8 of 1987, S. 2, w.e.f. 1-4-1987.

### **16A. Composition of tax :-**

**1**

(1) Notwithstanding anything contained in Section 3, any person liable to pay tax on any motor vehicle under this Act, may at his option, instead of paying tax under the said section, pay such tax by way of composite amount, in respect of such class or classes of motor vehicles, as may be specified by the State Government, by notification, from time to time, subject to such conditions or restrictions as may be specified therein.

(2) Every notification issued under sub-section (1) shall be laid before each House of the State Legislature in the manner specified in sub-section (2) of Section 16.]

1. Section 16-A inserted by Act No. 20 of 1994, S. 3, w.e.f. 1-4-1994.

### **CHAPTER 3**

Miscellaneous

### **17. Crediting of the proceeds of taxes :-**

All taxes collected under this Act shall be credited to such Head in

the State Accounts as the State Government may by order specify.

**17A. Establishment of Roads and Bridges Fund :-**

<sup>1</sup> omittedx x x x x].

1. Clause (bb) inserted by Act No. 32 of 1987, S. 3, w.e.f. 13-11-1987.

**18. Utilisation of the proceeds of taxes :-**

The Head of State Accounts specified under Section 17, shall be debited under the order of the State Government, with the following charges, that is to say.

(i) such amount as the Government may, by order determine on account of the expenses incurred in giving effect to the provisions of this Act;

(ii) payments made to local authorities under Section 20; and

(iii) allotments made by the Government for such other purposes as may be consistent with, or necessary for, the more efficient administration of this Act.

**19. Local authorities not to levy tax or tolls :-**

Notwithstanding anything contained in any other law for the time being in force, no local authority shall levy a tax or toll on any motor vehicle registered in the State of Karnataka or in any other State in India or in any Union Territory in India "<sup>1</sup> [and any law authorising any such levy shall cease to be in force.]

[Explanation. For the purposes of this section 'tax' means the tax referred to in Entries 52 and 57 of List II of the Seventh Schedule to the Constitution of India.]

1. Substituted for the words "tax licences" by Act No. 38 of 1976, S. 18(ii), w.e.f. 1-1-1977.

**20. Assignment of proceeds of the tax :-**

(1) From the proceeds of the tax collected under this Act every year and subject to such conditions as the State Government may specify,

(i) there shall be paid to each local authority which prior to the commencement of this Act was being paid any amount under Section 22 of the Karnataka Motor Vehicles Taxation and Tolls Act, 1951, or Section 9 of the Bombay Motor Vehicles Tax Act, 1935, or Section 10 of the Madras Motor Vehicles Taxation Act, 1931, or

Section 10 of the Coorg Motor Vehicles Taxation Act, 1932, a sum equivalent to the said amount, every year;

(ii) there shall be paid annually to each local authority which at the commencement of this Act was levying tax or toll or both under any law on motor vehicles, a sum equivalent to the average annual income derived by such local authority during the three years ending on the 31st day of March, 1957, from such tax or toll or both, as the case may be.

(2) All sums payable to local authorities under this section shall be expenditure charged on the Consolidated Fund of the State.

**21. Protection for bona fide acts :-**

No suit, prosecution, or other legal proceeding shall lie against any person for anything in good faith done or intended to be done under this Act.

**22. Power to make rules :-**

(1) The State Government may, subject to the condition of previous publication, by notification, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, the State Government may make rules for all or any of the following purposes, viz.,

(a) to prescribe the manner in which the tax shall be paid;

(b) to prescribe the form of any <sup>1</sup>[taxation card;]

<sup>2</sup>[(bb) to prescribe the manner and procedure in respect of sale of vehicle for recovery of tax under sub-section (2) of Section 11-A;]

(c) to prescribe the authority to which, the time within which and the manner in which an appeal may be made under Section 15, the fees to be paid in respect of such appeal and the conduct and hearing of such appeal;

(d) to prescribe the conditions in which duplicate <sup>3</sup> [taxation cards] may be granted and the fee payable for such grant.

(3) Any rule made under this section may provide that a breach thereof shall, on conviction, be punishable with fine which may extend to fifty rupees.



(4) All rules made under this Act shall be laid, as soon as may be, after they are made, before the State Legislative Assembly while it is in Session for a total period of thirty days which may be comprised in one Session or in two or more Sessions and if, before the expiry of the said period, the State Legislative Assembly makes any modification in the rules or directs that any rule shall not have effect, the rules shall thereafter have effect, only in such modified form or be of no effect, as the case may be.

1. Substituted for the words "tax licence" by Act No. 38 of 1976, S. 18(i), w.e.f. 1-1-1977.

2. Clause (bb) inserted by Act No. 32 of 1987, S. 3, w.e.f. 13-11-1987.

3. Substituted for the words "tax licences" by Act No. 38 of 1976, S. 18(ii), w.e.f. 1-1-1977.

### **23. Repeal and saving :-**

<sup>1</sup> The Mysore Motor Vehicles Taxation and Tolls Act, 1951 (Mysore Act XII of 1951), as in force in the Mysore Area, the Madras Motor Vehicles Taxation Act, 1931 (Madras Act III of 1931), as in force in the Madras Area, the Bombay Motor Vehicles Tax Act, 1935 (Bombay Act XXXIV of 1935), as in force in the Belgaum Area, the Hyderabad Motor Vehicles Taxation Act, 1955 (Hyderabad Act VI of 1955), as in force in the Gulbarga Area, the Coorg Motor Vehicles Taxation Act, 1932 (Coorg Act I of 1932), as in force in the Coorg District, the Madras Motor Vehicles Taxation of Passengers and Goods Act, 1952 (Madras Act XVI of 1952), as in force in the Mangalore and Kollegal Area and the Madras Motor Vehicles Taxation of Passengers and Goods Act, 1952 (Madras Act XVI of 1952), as in force in the Bellary District are hereby repealed:

Provided that such repeal shall not affect

(a) the previous operation of the said enactments or anything duly done or suffered thereunder; or

(b) any right privilege, obligation or liability acquired, accrued or incurred under the said enactments; or

(c) any penalty, forfeiture or punishment incurred, in respect of any offence committed against the said enactments; or

(d) any investigation, legal 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:

Provided further that any tax token or tax licence issued under any of the repealed enactments shall continue to be valid for the period for which such token or licence has been issued as if it were a tax licence issued under this Act.

1. Please also see Act No. 29 of 1958, (Section 5) regarding the repeal of certain other Acts.

#### SCHEDULE 1

Schedule