

KARNATAKA MUNICIPALITIES TAXATION RULES, 1965

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KARNATAKA MUNICIPALITIES TAXATION RULES, 1965

In exercise of the powers conferred by Sections 94, 95 and 323 of the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), the Government of Karnataka, hereby makes the following rules, the draft of the same having been published as required by sub-section (1) of Section 323 of the said Act in Notification No. PLM 8 MLR 64, dated 27th May, 1965, published as GSR 530, in Part IV, Section 2-C(i) of the Karnataka Gazette, dated 3rd June, 1965, namely.

CHAPTER 1

Preliminary

1. Title :-

These rules may be called the Karnataka Municipalities Taxation Rules, 1965.

2. Definitions :-

In these rules.

(a) "Act" means the Karnataka Municipalities Act, 1964 ;

(b) "Form" means a form appended to these rules;

(c) "Schedule" means a schedule to the Act;

(d) "Section" means a section of the Act.

CHAPTER 2

General Rules and Procedure

3. Form of notice of resolution imposing tax and manner of publication :-

(1) The notice of every resolution passed by a Municipal Council under Section 95 of the Karnataka Municipalities Act, 1964 shall be published in Form I.

(2) In addition to publication in the Official Gazette, the notice shall be published by.

(a) affixing copies thereof on the notice board of the office of the Municipal Council and its sub-offices, if any; and

(b) exhibiting copies thereof in all Municipal Reading Rooms and places considered by the Municipal Council to be conspicuous within the Municipality.

4. Payment of Tax :-

(1) Every person who is liable to pay any of the taxes or fees shall pay the same (except as otherwise provided) at the Head Office of the Municipal Council;

(2) The tax or fee shall be recovered by the Municipal Commissioner or Chief Officer or any person duly authorised by him in this behalf.

5. Remission or refund of taxes in respect of buildings demolished or destroyed :-

(1) Remission or refund of taxes under clause (c) of sub-section (2) of Section 115 of the Karnataka Municipalities Act, 1964 shall not ordinarily be granted unless notice in writing of the occurrence of fire or other event in respect of which the remission is claimed has been given to the Municipal Council within thirty days of the occurrence of the event on the basis on which remission or refund is claimed, containing the following particulars, namely.

(a) petitioner's name and the particulars regarding municipal number, tenements, or parts of building or land demolished or

destroyed by fire or otherwise deprived of value;

(b) date of occurrence of fire or other event on account of which remission or refund is claimed and the period for which the same is claimed;

(c) the tax or cess leviable in each year.

5A. Remission of other taxes and dues :-

1

(i)

(a) Subject to the provisions of sub-rule (ii), the grant of remission of taxes other than those referred to in Rule 5, shall be at the discretion of the Municipal Council and shall not be claimed by any person as of right;

(b) where the right to collect fees in respect of the use of any market, cart-stand or slaughter house is leased out and in case of lease of municipal buildings, the lessee or contractor shall be liable according to the terms of the agreement and no remission shall be granted except in cases in which it is proved that the lessee or contractor has suffered loss on account of unforeseen events beyond his control;

(c) the remission when granted by a Municipal Council shall bear a reasonable proportion to the loss incurred;

(d) the Municipal Council shall not consider any request for remission unless all taxes due to the Municipal Council have been paid;

(e) where the remission has been sanctioned, particulars as to the nature of the tax, assessment number, amount of tax

(f) no remission shall be made which has the effect of reduction of demand permanently.

(ii)

(a) A town Municipal Council and a city Municipal Council may grant remission upto a maximum of fifty rupees and two hundred rupees in each case respectively, provided the total demand of such remission granted in a year in respect of such tax shall not exceed one per cent of the total demand of the municipality in respect of such tax for that year;

(b) where in the case of a town Municipal Council, the amount to be remitted exceeds fifty rupees but does not exceed two hundred rupees, the Municipal Council shall obtain the previous sanction of the Deputy Commissioner in each case;

(c) where in the case of any Municipal Council, the amount to be remitted exceeds two hundred rupees, the Municipal Council shall obtain the previous sanction of the Commissioner in each case;

(d) where the remission proposed under clauses (a), (b), (c) above, exceeds five per cent of the total demand of the municipality in respect of such tax for the year, the previous sanction of the Government shall be obtained.

1. Rule 5-A inserted by GSR 859, dated 1 -3-1966

6. Claims for refund when not entertainable and the period within which it should be made :-

Save as otherwise provided in these rules no claim for refund of any sum paid on account of any tax or other fees shall be entertained unless application in Form II therefor is made in writing within ninety days after the expiry of the year to which the claim relates.

7. Payment of refund when not to be made :-

No sum shall be refunded unless the person entitled to it applies for payment within three months of delivery to him of notice of the refund having been duly authorised. In such notice the period within which the refund must be demanded shall be stated.

8. . :-

1 x x x]

1. Rule 8 omitted by GSR 195, dated 20-4-1967

9. Entry in assessment list of sub-division :-

Where any land or building is sub-divided, on application being made to the Municipal Commissioner or Chief Officer intimating such sub-division, such officer shall, unless he sees any objection to the same, cause each sub-divided land or building to be entered in the municipal registers as if it were separate land or building.

10. Preparation and issue of bills :-

All bills under sub-section (1) of Section 142 of the Karnataka Municipalities Act, 1964 shall be prepared from the assessment list and from the information obtained by process in accordance with

bye-laws and shall be issued under the signature of the Municipal Commissioner or Chief Officer or other Officer authorised in this behalf by the Municipal Commissioner or Chief Officer.

11. Suspension of process for recovery on receipt of notice of vacancy :-

When a notice of vacancy has been received under Section 115 of the Karnataka Municipalities Act, 1964 process for recovery of the dues of the current year or instalment period, may be suspended till final orders are passed on the notice.

12. Owner to give notice of re-occupation :-

When a notice of vacancy is given under sub-section (1) of Section 115 of the Karnataka Municipalities Act, 1964 , the person giving such notice shall also give notice in writing within fifteen days, to the Municipal Commissioner or the Chief Officer, as the case may be, of the date of subsequent re-occupation failing which no remission or refund of tax or cess may be granted if it be found that the building or land has been re-occupied during the year or instalment period.

13. Notice fees :-

For every notice of demand issued under sub-section (3) of Section 142 of the Karnataka Municipalities Act, 1964 , fees shall be levied at the following rates, namely.

14. Warrant fees :-

For every distraint made under sub-section (5) of Section 143 of the Karnataka Municipalities Act, 1964 , fees shall be levied at the following rates, namely.

15. Fee for maintenance of livestock distrained :-

Fees for maintaining livestock distrained under sub-section (5) of Section 143 of the Karnataka Municipalities Act, 1964 shall be levied at the following rates, namely.

Provided that no fee shall be charged where the owner of any such livestock pays the full amount of the municipal dues and receives back such livestock within three hours from the time of their seizure.

16. Persons authorised to receive payment of Municipal funds and taxes :-

Save where the collection of any toll or fee is framed out, the Municipal Commissioner or Chief Officer or any other Officer or

employee duly authorised by him shall receive all taxes, charges, fees or other amounts paid to the Municipal Council.

17. Time and mode of recovery :-

The following taxes leviable under Section 94 of the Karnataka Municipalities Act, 1964 shall be leviable in two equal instalments in advance in the months of April and October respectively, every year.

- (1) Tax on buildings or lands or both situated within the municipality;
- (2) Tax on vehicles (other than motor vehicles);
- (3) Tax on dogs;
- (4) Special sanitary cess;
- (5) General sanitary cess;
- (6) Water rate;
- (7) Lighting tax.

18. Levy of interest on arrears of municipal taxes :-

Interest at six per cent per annum shall be leviable on arrears of municipal taxes.

CHAPTER 3

Taxes on Buildings or Lands or both situated within the Municipality

19. Mode of levy :-

The tax imposed on buildings or lands or both situated within a municipality shall be levied in two instalments in advance in the months of April and October respectively of every year.

20. One bill to be issued for one property :-

All sums due for each year for all or any of the taxes by any one person on account of one and the same land or building shall be charged to such person ordinarily, and shall be recoverable from him in lump:

Provided that nothing herein contained shall affect the liability of such person to any increased tax to which he may be assessed on account of the said property owing to a revision of the rateable value or imposition of any of the taxes not imposed before on the said land or building.

21. One or several bills, for several lands or buildings

owned by one person :-

If any person is liable for all or any of the said taxes on account of more than one land or building it shall be competent to the Municipal Commissioner or Chief Officer, to charge such person in one or several bills as he shall think fit the several sums payable by him on account of such lands or buildings.

22. Demand and collection register :-

The Municipal Commissioner or Chief Officer shall maintain a register showing the demand, collection, adjustments, arrears, excess recoveries relating to tax on lands or buildings or both.

23. Inspection by Municipal staff of vacant premises :-

(1) The Municipal Commissioner or Chief Officer may require any person claiming refund or remission of any tax under Section 115 of the Karnataka Municipalities Act, 1964 to arrange for the inspection of such land or building for the purpose of verification of such vacancy and every such person shall comply with such requisition.

(2) If such person fails to arrange for such inspection, the Municipal Commissioner or Chief Officer may refuse to treat the land or buildings, as the case may be, as vacant till the day of such inspection and verification.

24. Procedure to be followed where one or more parts of any land or building are to be treated as separate property.

:-

Where a person desires that a part, or two or more parts of any land or building be assessed as separate property, the Municipal Commissioner or Chief Officer may in his discretion treat such part or parts as separate property if.

(i) all taxes due on the entire land or building are paid;

(ii) a plan of the land or building showing the division, and duly signed by all the owners of the property, is enclosed with the application; and

(iii) a transfer fee of two rupees has been paid in full in advance with an assurance that necessary action for transfer will be taken by the applicant immediately after the division.

CHAPTER 4

Octroi

25. . Mode of collection :-

At the time of entry of the goods into the Municipal limits, octroi shall be paid to the official-in-charge of the octroi station. The official-in-charge may receive such octroi and give to the person bringing the goods into the limits of the municipality, a receipt showing the nature and quantity of the goods and the octroi received:

Provided that in the case of goods brought by rail, the official in-charge of the octroi station at the railway station may in the same manner receive the octroi.

26. Payment of octroi :-

In case of disagreement, as to the amount of octroi payable by the person bringing the goods within the municipal limits, the official-in-charge of the octroi station shall cause such person to take the goods before the Municipal Commissioner or Chief Officer, by grant of a transit pass in Form III, for the settlement of the octroi to be paid. Upon ascertainment of the amount of octroi payable on the goods, such person shall either pay the amount due and after receiving the receipt remove the goods or shall deposit the goods in the octroi office. When the octroi is paid a receipt shall be granted by the officer-in-charge of the octroi office for the removal of the goods showing the description of the goods, the quantity or weight of the goods, the duty paid in respect thereof and the date of payment. The fact of receipt shall also be noted on each copy of the duplicate transit pass, one copy of which shall be filed in the office and the other copy returned to the octroi station from which the transit pass was received. In case the person bringing the goods wishes to transport the goods at once beyond the limits of the municipality he shall do so only after obtaining a transport permit in Form IV ¹ [on payment of a fee of fifty paise for each vehicle].

1. The words "the calculation" omitted by GSR 195, dated 20-4-1967

27. Assessment and collection of octroi at octroi station :-

(1) When goods liable to octroi are brought into the municipal limits, the official-in-charge of the octroi station shall call upon the person bringing the goods into the municipal limits to declare whether they are intended.

(a) for consumption, use or sale within the municipal limits; or

(b) for immediate export outside the municipal limits; or

(c) for temporary detention within the municipal limits and eventual transport outside the municipal limits.

(2) If the person bringing the goods into the municipal limits makes no declaration under sub-rule (1), octroi due on the goods shall be collected.

28. Procedure in case where octroi is leviable ad valorem :-

(1) Articles on which octroi is leviable ad valorem shall be assessed according to the valuation in the invoice. If the invoice is not produced or if the valuation in the invoice appears to the official-in-charge of the octroi station to be unduly low, then the article shall be assessed according to the market value within the municipality, of such articles on the prices current for the month if such value can be ascertained and if data relating to such prices are not available, octroi may be levied according to the best of the information of the official. In cases of doubt or dispute, the official shall obtain the orders of the Municipal Commissioner or Chief Officer or other officer superior to such official. Whenever the invoice produced by the person bringing the goods into the municipal limits is in a language other than English or Kannada, such person shall produce a true copy of such invoice translated into English or Kannada and verified by him.

(2) Octroi recoverable ad valorem shall be calculated on the actual amount of the invoice, that is, the actual cost to the owner of the consignment which shall include all expenses such as packing charges, freight charges paid, less trade discount allowed, if any. When the railway freight is paid by the person bringing the goods at destination in respect of the "to pay" consignment, such charges paid shall be added to the amount of the invoice, the same being ascertained either from the invoice or railway receipt, or from railway authorities.

29. Issue of receipt for octroi collected :-

When the octroi is collected, the official-in-charge of the octroi station shall issue a receipt in Form V.

30. Production of receipt for having paid octroi :-

(1) Any person bringing the goods into the municipal limits on which octroi has been paid, at an octroi station, shall on demand by

an Inspector appointed for the purpose, produce the receipt issued by the official-in-charge of the octroi station and allow the Inspector to inspect the goods and verify the correctness of the octroi paid.

(2) If after checking ¹ [x x x] the Inspector finds that all the items in the receipt are correct, he shall endorse his name at the back of the receipt and return it to the person bringing the goods and make a note of the receipt numbers and amounts collected thereon.

(3) If the Inspector has reason to believe that the octroi due has not been paid in full, he may require the person bringing the goods to accompany him to the Municipal Office where he will immediately report the facts of the case to the Municipal Commissioner or Chief Officer, or any other officer superior to the Inspector.

1. The words "the calculation" omitted by GSR 195, dated 20-4-1967

31. Municipal Council to maintain a list of traders and public bodies allowed to have an account current :-

The Municipal. Council shall maintain a list in Form VI of all traders and public bodies to whom account current facilities are provided under Section 130 of the Karnataka Municipalities Act, 1964 . Such list shall be kept corrected up-to-date and a copy of the list signed by the Municipal Commissioner or Chief Officer, shall be kept at each octroi station. Specimen signatures of the traders and officers authorised to sign declarations on behalf of public bodies shall also be obtained and kept in the municipal office and made available to the officials at the octroi stations.

32. Account current :-

Whenever a trader or public body allowed to have account current under Section 130 of the Karnataka Municipalities Act, 1964 brings goods into the municipal limits, a declaration in Form VII signed by the trader or an officer authorised by the public body shall be presented to the official in-charge of the octroi station. On receipt of the declaration, the official-in-charge of the octroi station shall after satisfying himself from the list and other particulars made available to him that the declaration has been signed by the trader or officer of a public body, whose name is in the list of traders and public bodies allowed to have an account current, and that the items of goods agree with the details entered in the declaration, make an endorsement on the declaration and certify the

correctness of the declaration. He shall grant the presenter a pass in Form VIII.

CHAPTER 5

Tolls

33. Establishment of toll gates :-

(1) The Municipal Council shall establish toll-gates for the purpose of collecting tolls on the several routes leading to the municipality and notify the location of such toll-gates.

(2) No vehicle liable to the payment of toll shall enter the municipal limits except by one of the toll-gates established by the Municipal Council.

(3) Any Municipal Council may change, add to, or combine the existing toll-gates if it considers that such a course is necessary for the proper collection of tolls. Every such change, addition or combination shall be notified within the limits of the municipality.

34. . :-

1 x x x

1. Rule 34 omitted by GSR 195, dated. 20-4-1967

35. Receipts :-

The person-in-charge of the toll-gates shall give the person paying the toll, a receipt, showing the amount received, date and hour of payment and the description or marks of identification of the vehicles.

36. Toll to be levied only once :-

Toll shall be levied only once in respect of each vehicle passing through the toll-gates of the municipality on any day counted from sunrise to sunrise irrespective of the number of times the vehicle enters the municipality or the different routes by which it enters.

37. Liability to stop :-

Every person or owner who is for the time being in possession or use of any vehicle shall be bound to stop it at the first toll-gate of entry into the municipality through which he desires to pass.

38. Information to be furnished :-

Every person or owner in possession for the time being of any vehicle shall be bound to give all necessary and true information for the ascertainment of levy and collection of toll, to the person-in-

charge of the toll-gate.

39. Payment :-

If on such information the person-in-charge of the toll-gate considers that the owner or user of any vehicle is liable to pay toll, such owner or user shall pay such toll, at the rates, levied, But if he considers the owner or user is entitled to exemption after persuing the pass or permit, if any, he may permit the vehicle to proceed without payment of the toll.

40. Accounts to be kept :-

The person-in-charge of the toll-gate shall be bound to maintain a proper account of the daily toll collections and of the traffic passing through the toll-gate and it shall be produced whenever called upon by the Municipal Commissioner or Chief Officer, or other officers duly authorised by him.

41. Claim for refund :-

(1) Whenever a person who has compounded for a definite period desires to discontinue to run his vehicle within that period, he may apply for the refund of the balance of money, if any, paid by him in advance and on reasonable cause being shown, the Municipal Commissioner or Chief Officer, may refund the excess amount paid by him, provided that no refund shall be allowed for a sum less than one half of the aggregate amount due for the period for which the composition is effected. All applications for such refund shall be presented within fifteen days from the date of such discontinuance after the lapse of which no such claim shall be considered.

(2) Any person from whom toll has been recovered unauthorisedly or in excess of the amount payable in respect of any particular vehicle may apply in writing along with the receipt to the ¹ [Municipal

1. Substituted for the words "Officer duly authorised for this purpose" by GSR 195, dated 20-4-1967

42. Settlement when right of collection is formed out :-

Where the right of collection is farmed out, the composition fees collected shall be held at the credit of the contractor and adjusted towards his dues in the final settlement for the year.

CHAPTER 6

Tax on Vehicles (other than Motor Vehicles)

43. Tax by whom payable :-

A tax on vehicles, boats or animals specified in Schedule IV, used for riding, draught or burden, kept within the municipality for use shall be payable by the owner or other person entitled to keep the vehicle, boat or animal within the municipality.

44. Tax when payable :-

A tax on vehicles other than motor vehicles, boats or animals shall be paid at the time of application for numbering and registration of such vehicle, boat or animal in accordance with the bye-laws made under clause (k) of sub-section (1) of Section 324 of the Karnataka Municipalities Act, 1964 .

45. Refund of tax :-

Where the tax due in respect of any vehicle, boat or animal has been paid for any year, the owner or other person entitled to the vehicle, boat or animal shall be entitled to a refund of the sum paid.

(a) if the vehicle or boat has been under repair during the whole of the year;

(b) if the animal certified by the President, Municipal Commissioner or Chief Officer or any person authorised by him to have been unfit for use, has not been used during the whole period.

46. Method of calculating liability to tax :-

When a person has owned or had been entitled to two or more vehicles or boats or two or more animals of the same description each at different periods in one year he shall be deemed to have owned and had been entitled to one vehicle, boat or animal only, as the case may be, for the aggregate number of days in the said two or more periods.

47. Vehicles, boats, animals, transferred :-

If a year's tax has been levied in respect of vehicle, boat or animal, no further tax for the same year shall be leviable in respect of the said vehicle, boat or animal if it is transferred during the said year by the person paying the tax to any other person.

CHAPTER 7

Tax on Dogs

48. Tax by whom payable :-

The tax on dogs shall be payable by every owner or person-in-charge of a dog.

49. Tax when payable :-

A tax on dogs shall be paid at the time of application for numbering and registration of the dog in accordance with the bye-laws made under clause (k) of sub-section (1) of Section 324 of the Karnataka Municipalities Act, 1964 .

CHAPTER 8

Special Sanitary Cess

50. Tax by whom payable :-

The special sanitary cess shall be payable by the person liable to pay the tax on the building or land in respect of which the cess is payable along with the tax on such building or land.

51. Provisions of the Act applicable where special sanitary cess is payable :-

The provisions of Section 108 of the Karnataka Municipalities Act, 1964 , Section 111 of the Karnataka Municipalities Act, 1964 , Section 112 of the Karnataka Municipalities Act, 1964 , Section 113 of the Karnataka Municipalities Act, 1964 and Section 114 of the Karnataka Municipalities Act, 1964 , shall mutatis mutandis be applicable in respect of any property on which special sanitary cess is payable.

CHAPTER 9

General Sanitary Cess

52. Levy and collection of general sanitary cess :-

The general sanitary cess shall be collected in the same manner and along with the tax on the land or building in respect of which such cess is payable.

CHAPTER 10

Water Rate

53. Levy and collection of water rate :-

When water rate is levied in the form of a tax assessed on buildings and lands, it shall be levied and collected in the same manner as the taxes on the buildings or land in respect of which such rate is payable.

CHAPTER 11

Lighting Tax

54. Levy and collection of lighting tax :-

The lighting tax shall be levied and collected in the same manner as the tax on the building or land in respect of which the lighting

tax is payable.

CHAPTER 12

Tax on Professions, Trades, Callings and Employments

55. Definitions :-

In this part 'tax' means a tax on profession, trade, calling or employment levied under Section 116 of the Karnataka Municipalities Act, 1964

56. Rate of tax :-

Whenever a tax is decided to be levied by a Municipal Council such tax on any class shall bear proportion to the minimum income of that class and shall not be lower than the proportion, the tax on any lower class bears to the income of such lower class.

57. Exemptions :-

Whenever a Municipal Council decides to grant exemption to any class from payment of the tax, no exemption shall be granted to any class specified in Schedule V of the Karnataka Municipalities Act, 1964 , when a class lower to it in the said schedule is not exempted.

58. Payment of tax :-

The tax shall be payable in advance in two equal instalments in April and October every year provided that the assessee if he so desires, may pay the same in a lumpsum.

59. Preparation of assessment list :-

On or before the 1st April or 1st of October every year, the Municipal Commissioner or Chief Officer, as the case may be, shall prepare an assessment list of all persons liable to profession tax, the list being subject to revision half-yearly or yearly as may be decided by the Municipal Council.

60. Income how determined :-

(i) Where a person transacts business, other than money-lending, in any half-year within the limits of a municipality, the income of such person from the transaction of such business shall, for the purpose of levying the tax for the half-year, be calculated in the following manner, namely.

(a) If he is assessed to income-tax for the year comprising the half-year, one half of the amount at which the profits and gains of such business are computed under the Income tax Act, 1961 , for the

purpose of assessing the income-tax shall be taken to be the income for the purposes of levying tax under these rules;

(b) If such person is not assessed to income-tax, and the amount of the profits and gains is not otherwise ascertainable, the income shall be the percentage or percentages, referred to in Rule 61 of the turnover of such business, transacted within the municipal limits during the half-year, or where this is also unascertainable during the corresponding half-year of the previous year.

(ii) In the case of a person transacting any business other than money lending partly in the area of a municipality and partly outside such area, the income of such person from the transactions of such business in the area of the municipality shall, for the purpose of levying tax under these rules shall be the same percentage referred to in clause (b) above of the turnover of such business transacted in such area during the half-year or the corresponding half-year of the previous year, as the case may be.

Explanation.

(1) For purposes of sub-rules (i) and (ii) the turnover of business in any municipality means, the aggregate money value of the goods produced, manufactured, purchased or sold or any other business except money-lending transacted within the limits of a municipality.

(2) For determining the turnover of business.

(a) where the delivery of any goods on account of any purchase made by any person and the delivery on account of the sale thereof by the same person are effected in the State of Mysore, only the latter transaction shall be taken into account;

(b) where the delivery of any goods on account of any purchase made by any person is effected in any place outside the said State and the delivery on account thereof by the same person is effected in any place in the-State, the latter transaction shall be taken into account; and

(c) where the delivery of any goods on account of any purchase made by any person is effected in any place in the State and the delivery on account of the same thereof by the same person is effected in any place outside the State, the former transaction shall be taken into account.

61. Calculation of income :-

The percentage of turnover of business under Rule 60 for the purposes of calculating the income shall be as specified in column (2) in respect of business specified in column (1) of the following table.

62. Notice to submit return :-

(1) If in the opinion of the Municipal Commissioner or Chief Officer, any person is liable to pay tax for any half-year, he shall serve a notice on such person either in that half-year or in the succeeding half-year requiring the person to furnish within fifteen days, a return in Form IX showing the income during the concerned half-year.

(2) The person on whom the notice under sub-rule (1) is served shall submit a return showing the income derived by him during the half-year or for the corresponding half-year; of the previous year and shall produce any evidence in support on the return made;

Provided that where in pursuance of Section 121 of the Karnataka Municipalities Act, 1964 , a statement regarding the income of a company or the salary or income of an employed person has been furnished to the Municipal Commissioner or Chief Officer, nothing in this sub-rule shall be deemed to require that authority to serve a notice on such company or person.

(3) Where a return is made as required under sub-rule (1) or a statement regarding the income or salary is furnished under Section 121 of the Karnataka Municipalities Act, 1964 and the Municipal Commissioner or the Chief Officer is satisfied about the correctness thereof he shall proceed to levy the tax.

(4) If no return is made as required under sub-rule (1) or if no statement is furnished under Section 121 of the Karnataka Municipalities Act, 1964 , or if the Municipal Commissioner or Chief Officer is satisfied that any return so made or any statement so furnished is incorrect or incomplete, the Municipal Commissioner or Chief Officer shall assess the tax assigning to the person such class specified in Schedule V of the Karnataka Municipalities Act, 1964 as is appropriate to half-yearly income of such person.

(5) The Municipal Commissioner or Chief Officer may, classify any person, other than a person in receipt of fixed salary or remuneration under sub-rule (4), on general considerations with reference to the nature and reputed value of the business

transacted, the size and rental of residential and business premises, the quantity and number of articles dealt with, the number of persons employed and the income-tax paid to Government.

(6) The Municipal Commissioner or the Chief Officer shall not be entitled to call for accounts of any company or person.

63. Intimation of change in designation to be given :-

Every person who is liable to tax shall whenever there is a change in the designation of the firm or the nature of the profession, trade or calling, office, appointment or his place of business, within fifteen days of such change, give intimation thereof to the Municipal Commissioner or the Chief Officer or other person authorised in this behalf.

64. Refund of tax :-

Any person who has paid the tax for the ¹ [x x x] half-year and who ceases during such period to be liable to assessment shall be entitled to refund of not less than half the tax paid:

Provided that no such refund shall be granted unless notice in writing of the fact of giving up the profession, trade or calling has been given to the Municipal Commissioner or Chief Officer and no refund shall be granted in respect of the period previous to the day of the delivery of such notice.

1. The word "whole" omitted by GSR 195, dated 20-4-1967

CHAPTER 13

Tax on Shops and other places of Business

65. Definition :-

In this part, tax means tax on shops and other places of business levied under Section 94 of the Karnataka Municipalities Act, 1964 of the Act.

66. Payment of tax :-

Whenever a Municipal Council has levied, a tax, the same shall be payable in advance in two equal half-yearly instalments in April and October of every year or if the assessee so desires, in one lumpsum.

67. Refund of tax :-

A person who has paid the tax for the whole year and who ceases during such period to be liable to assessment shall be entitled to refund of tax of not less than half the assessment, provided that no

refund shall be granted unless notice in writing of the fact of his giving up the business or profession has been given to the Municipal Commissioner or Chief Officer and no refund shall have effect previous to the day of delivery of such notice.

68. Application of certain rules :-

For determining the class of any shop referred to in Schedule VI of the Act, the procedure laid down in Rule 59, Rule 60, Rule 61, Rule 62, Rule 63, or Rule 64 of these Rules shall, as far as possible, be applicable.

CHAPTER 14

Advertisement Tax

69. . :-

1 [x x x x x]

1. The word "whole" omitted by GSR 195, dated 20-4-1967

70. Collection of Tax :-

The tax shall be collected in advance at the Office of the Municipal Council after the Municipal Council has approved the proposed advertisement and granted permission in accordance with the bye-laws.