
KARNATAKA PANCHAYAT RAJ (GRAMA PANCHAYAT TAXES AND FEES) RULES, 1994

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KARNATAKA PANCHAYAT RAJ (GRAMA PANCHAYAT TAXES AND FEES) RULES, 1994

Whereas the draft of the Karnataka Panchayat Raj (Grama Panchayat-Taxes and Fees) Rules, 1994 in Notification No. RDP 950 ZPS 94, dated 19-4-1995 was published in the Part IV, Section 2C(i) of the Gazette, Extraordinary, dated 19-4-1995 as required by sub-section (1) of Section 311 of the Karnataka Panchayat Raj Act, 1994 (Karnataka Act 14 of 1993) inviting objections and suggestions to the said draft from persons to be affected there to within 15 days of its publication in the Official Gazette. And, whereas, the said Gazette was made available to the public on 19-4-1995. And, whereas, no objection or suggestion has been received by the State Government in respect of the said draft. Now, therefore, in exercise of the powers conferred by Section 199, 200 and 201, the Government of Karnataka hereby make the following rules namely:

CHAPTER 1

CHAPTER

1. Title and commencement :-

(1) These rules may be called the Karnataka Panchayat Raj (Grama Panchayat Taxes and Fees) Rules, 1994.

(2) They shall come into force at once.

2. Definitions :-

In these rules unless the context otherwise requires,

(a) "Act" means the Karnataka Panchayat Raj Act, 1994;

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

(c) "Section" means a section of the Act;

(d) "Year" means a year beginning on the first day of April and ending on the 31st day of March, next ensuing.

CHAPTER 2

General Rules and Procedure

3. Procedure for levying taxes on Buildings and Lands :-

(1) Every Grama Panchayat shall, before levying the taxes on buildings and lands under sub-section (1) of the S.199 of the Karnataka Panchayat Raj Act, 1994,

(a) pass a resolution to levy the taxes;

(b) publish a notice of such resolution by affixing copies thereof on the notice board of the office of the Grama Panchayat and at other conspicuous places in the Panchayat area, specifying therein the rate of tax and the date not earlier than thirty days from the date of such publication with effect from which the said taxes shall be levied and also announce by beat of drum in the Panchayat area the fact of such publication.

(2) The taxes under sub-rule (1) shall be levied for any year or part thereof and shall be paid for every quarter commencing from the 1st day of April, 1st day of July, 1st day of October and 1st day of January of the year.

4. Procedure for levy of taxes and fees under sub-section (3) of Section 199 :-

(1) Every Grama Panchayat shall, before levying a tax or fee under sub-section (3) of S.199 of the Karnataka Panchayat Raj Act, 1994,

(a) pass a resolution proposing to levy such of the taxes or fee under the said sub-section and

(b) publish for the information of the public the proposal to levy the said taxes or fee by affixing the same on the notice board of the office of the Grama Panchayat, and at other conspicuous places in the Panchayat area specifying a date not earlier than thirty days from the date of such publication on or after which the Grama Panchayat shall take into consideration the said proposal.

(2) Any inhabitant of the Panchayat area objecting to the levy of the tax or fee proposed by the Grama Panchayat may make any objection or suggestion in writing on or before the date on which the Grama Panchayat takes up the proposal for consideration.

(3) On or after the date fixed under clause (b) of sub-rule (1), the Grama Panchayat shall consider all objections and suggestions made under sub-rule (2) and may either approve, modify or reject the proposal.

(4) If the proposal is approved by the Grama Panchayat under sub-rule (3) and it decides to levy any of the taxes or fees specified in sub-section (3) of the S.199 of the karnataka panchyat raj act, 1994, a notice specifying the rate at which and the date not earlier than thirty days from the date of publication of the notices, from which such tax or fee shall be levied, shall be published by the Grama Panchayat by affixing copies thereof on the notice board of the office of the Grama Panchayat and at other conspicuous places in the Panchayat area. It shall also announce by beat of drum in the Panchayat area the fact of such publication. The tax or fee shall thereafter be levied from the date specified in the said notice.

CHAPTER 3

Tax on Building and Lands

5. Rate of Tax :-

Tax shall be levied,

(a) on the building at the rate of ten per cent of the annual letting value of such building, per annum; and

(b) on the land, at the rate of one rupee per annum for every one hundred square meter.

6. Exemption :-

The following buildings and lands shall be exempted from the levy of tax under sub-section (1) of S.199 of the karnataka panchyat raj act, 1994 namely.

(a) buildings and lands belonging to the Zilla Panchayats, Taluk Panchayats and Grama Panchayats.

(b) buildings and lands belonging to Central Government or any State Government and used for the purposes of such Government and not used for intended to be used for residential or commercial purposes;

(c) buildings and lands, used solely for charitable or public religious purposes and not let out for rent; and

(d) lands measuring less than one hundred square metre and buildings having an annual letting value of less than rupees twenty-five.

7. Assessment list :-

The Secretary shall, as soon as may be after the publication of the notice of resolution under Rule 3 but not later than the 1st day of December next following, prepare an assessment list relating to the buildings and lands in the Panchayat area showing the,

(a) serial number of each house or land;

(b) name of the owner and occupier, if any;

(c) annual letting value of the buildings; and

(d) amount of tax assessed thereon.

8. Objection to the assessment list :-

When the assessment list is completed, a notice shall be published by affixing it on the notice board of the office of the Grama Panchayat, and also by beat of drum in the Panchayat area, stating that the list is open for inspection at the office of the Grama Panchayat and that objections will be considered and decided by the Grama Panchayat on a date which shall not be earlier than thirty days from the date of publication of the aforesaid notice.

9. Inspection of assessment list :-

Every person whose name appears in the assessment list, every person claiming to be the owner or occupier of any building or land, and the agent of any such person shall be at liberty to inspect the list and to make extracts therefrom without any charge.

10. Authentication of assessment list :-

(1) All objection to the assessment shall be considered and decided

by the Grama Panchayat on the date specified in the notice published under Rule 8 or on any later date and the decision of the Grama Panchayat shall be communicated to the person objecting to the assessment.

(2) The Grama Panchayat shall cause to be made necessary amendments, if any, in the assessment list in accordance with the orders under sub-rule (1) or the orders of the Zilla Panchayat under Rule 39 and thereafter the assessment list shall be authenticated by the Adhyaksha.

(3) The entries in the list authenticated under sub-rule (2) shall be conclusive evidence of the amount of tax leviable.

11. Alteration of the Assessment list :-

(1) Grama Panchayat may at any time alter the assessment list by inserting or deleting an entry.

(a) in respect of any building or land, if such entry has been omitted from, or erroneously made in, the assessment list through fraud, accident or mistake;

(b) in respect of any building constructed, altered, added to or reconstructed after preparation of the assessment list, after giving the person interested in the alteration of the list, a notice of not less than one month calling upon to file objections, if any, to such alteration.

(2) An objection made under sub-rule (1) before the time specified in such notice shall be considered and decided by the Grama Panchayat.

(3) Any entry or alteration made under this rule shall be deemed to have been made.

(a) In the case of building constructed, altered, added to or reconstructed, on the date on which such construction, alteration, addition or reconstruction was completed or of the date on which the building was first occupied after such construction, alteration, addition or reconstruction, whichever is earlier; and

(b) in other cases, on the date of which the circumstances justifying the entry or alteration existed.

(4) The Tax or the enhanced tax, as the case may be, which becomes leviable on account of alteration of the assessment and

after the first day of April of a year, shall be levied in respect of the remaining period of such year as nearly as may be in the same proportion in which the remaining period bears to the whole year.

12. Liability to pay the tax etc :-

(1) Where the owner of any building or land assessed to tax transfers such building or land to any person, such owner as well as the transferee shall, within two months from the date of such transfer, give a notice of the same to the Grama Panchayat.

(2) Where the owner of any building or land assessed to tax dies, his heirs who succeed to the building or land shall, within two months from the date of the death of such person give notice of the same to the Grama Panchayat.

(3) Where such transfer of ownership of the building or land or the death of the owner of the building or land comes to the knowledge of the Grama Panchayat, either through a notice under sub-rule (1) or (2) or otherwise it shall, after such enquiry as it may deem fit, substitute the names of the transferee or the legal heirs of the deceased owner, as the case may be, in the records of the Grama Panchayat. ¹ [Please see Kannada Amendment at page 769.]

1. Proviso inserted by Notification No. RDP 67ZPS 97, dated 8-10-1997

13. Liability to give notice in case of demolition or removal of a building :-

Owner of the building or any portion of the building assessed to tax under these rules shall, if such building or part thereof, is demolished give notice of the same in writing to the Secretary failing which he shall continue to be liable to pay the tax in respect of such building till it is communicated to the Grama Panchayat:

Provided that nothing in this rules shall apply in respect of a building or portion of a building which has fallen down or is burnt.

14. Revision of the assessment list :-

(1) It shall not be necessary to prepare a new assessment list every year but every part of the assessment list shall be completely revised not less than once in every four years.

(2) Grama Panchayat may adopt the valuation and assessment in the list of the previous year for the year immediately following with such alteration as may be deemed necessary.

15. Occupiers right to recover the tax paid by him :-

Where the occupier of any building or land has paid the tax under sub-section (2) of S.199 of the karnataka panchayat raj act, 1994, in respect of such building or land, he shall be entitled to be reimbursed by the owner of such building or land and may in addition to, any other remedy open to him deduct the amount of tax so paid from the rent or any other amount payable by him to the owner.

16. Remission of assessment when done :-

Where any building or land assessed to tax has remained vacant and unproductive for the whole or part of a year the Grama Panchayat shall remit or refund proportionately the amount of tax in respect of the period of such vacancy:

Provided that no such remission or refund shall be granted unless the building or land is vacant and unproductive for not less than sixty consecutive days and that notice in writing of the fact of the building or land being vacant and unproductive has been given to the Secretary: Provided further that no remission or refund shall be granted for any period prior to the date of the receipt of the notice.

CHAPTER 4

Tax on Entertainment Other Than Cinematograph Shows

17. Interpretation :-

For the purpose of this chapter, unless the context otherwise requires.

(1) 'entertainment' means and includes a drama, exhibition, amusements, games or sports to which persons are entertained on payment for admission;

(2) 'payment for admission' means and includes.

(a) any payment for seats or other accommodation in a place of entertainment; and

(b) any payment for a programme or synopsis of an entertainment;

(3) 'proprietor' in relation to any entertainment includes owner, manager, agent or any other person responsible for the management thereof.

18. Exemption :-

No tax on entertainment shall be levied in respect of an entertainment,

- (a) which is not open to the general public,
- (b) the proceeds of which are intended to be utilised for the public, educational, cultural or charitable purposes.

19. Levy and Recovery of Tax on Entertainment :-

(1) The tax on entertainment shall be levied before the beginning of an entertainment and shall be recovered from the proprietor.

20. Refund of Entertainment Tax :-

(1) If after the payment of tax on entertainment the entertainment is not held on account of any extenuating or unavoidable circumstances the amount of tax paid shall be refunded to the proprietor.

(2) Grama Panchayat shall, unless there are reasons to believe that a claim for refund under sub-rule (1) is not admissible sanction the refunds of tax if,

(i) an application in writing is made to the Adhyaksha within three days from the date fixed for the entertainment; and

(ii) the receipt for having paid the entertainment tax is produced.

CHAPTER 5

Tax on Vehicles Other than Motor Vehicles

21. Exemptions :-

No tax under this chapter shall be levied on.

- (a) vehicles belonging to Central or State Government;
- (b) vehicles kept solely for sale by vehicle makers and dealers;
- (c) vehicles which are under repairs or kept at a vehicle maker for a period not exceeding six months;
- (d) vehicles belonging to the Grama Panchayat, Taluk Panchayat or Zilla Panchayat.

22. Levy of Vehicle Tax :-

(1) Grama Panchayat may levy vehicle tax on the person having possession, custody or control of any vehicle specified in Schedule IV to the Act, if such vehicle has been kept or used within the Panchayat area for an aggregate period of not less than one hundred and twenty days in a year:

Provided that no tax shall be levied on a vehicle for any year.

(a) if full tax for that year in respect of such vehicles has already been paid to the Grama Panchayat by some other person; or

(b) if the tax equal to or in excess of the amount payable in the Panchayat area in respect of such vehicle for that year has already been paid to any other Grama Panchayat.

(2) If during the middle of the year any person having possession, custody or control of any vehicle liable to tax replaces such vehicle being incapable of use, by another vehicle of the same description, no tax shall be levied again on the replacing vehicle for the rest of the year.

CHAPTER 6

Fee on Bus Stand

23. Fee on Buses etc :-

Subject to the provisions of sub-section (3) of S.199 of the karnataka panchayat raj act, 1994 a Grama Panchayat may levy fee on buses and taxis and auto stands at the rate specified in the bye-law and the fee so levied shall be collected from every person bringing the bus, taxi or autoriksha into the bus stand.

CHAPTER 7

Fees on Market

24. Determining Market Area :-

The Grama Panchayat shall determine the limit of the market area within which the market fee shall be levied.

25. Levy of Market Fee :-

The Grama Panchayat may levy market fee at the rate specified in the bye-law on every person occupying any plot or part thereof in the market area determined under Rule 24.

CHAPTER 8

Levy of Water Rate

26. Period of Levy :-

(1) The water rate under sub-section (2) of S.199 of the karnataka panchayat raj act, 1994 may be levied on the owner of a building for a year or part thereof and shall be paid every quarterly commencing from the 1st day of April, 1st day of July, 1st day of October and 1st day of January of such year.

(2) Where such owner has left the Panchayat area or cannot otherwise be found the occupier of such building shall be liable for the water rate levied under sub-rule (1).

(3) The occupier of the building who has paid the water rate under sub-rule (2) shall be entitled to be reimbursed by the owner of such building and may, in addition to any other remedy open to him, deduct the amount of water rate so paid from the rent or any other amount payable by him to the owner.

27. Remission for temporary stoppage of Water Supply :-

If through any accident in the water works arrangements or due to any other cause there is a temporary stoppage in the water supply, no reduction shall be claimed in the water rate nor the Grama Panchayat shall be liable for damages for any loss or inconvenience sustained by the rate payer; so, however, the Grama Panchayat may grant proportionate remission in water rate if there is a stoppage of water supply continuously for more than a month.

CHAPTER 9

Miscellaneous

28. Person to Recover Tax or Fee :-

The Secretary shall cause to be recovered the tax or fee imposed or levied by the Grama Panchayat.

29. Receipt for Payment :-

For all sums paid on account of any tax or fee or other amount due under these rules, a receipt shall be issued by the person receiving the same.

30. Presentation of Bill :-

The bill presented under sub-section (1) of S.200 of the karnataka panchayat raj act, 1994 shall be in Form I and shall be signed by the Secretary and shall contain.

(a) a statement of the period of occupation, a description of the property or thing for which the tax, fee or any other sum due to Grama Panchayat is charged and other particulars of the demand; and

(b) a notice of the liability which may be incurred in default of payment.

31. Writ of Demand :-

(1) Every writ of demand under sub-section (2) of S.200 of the

karnataka panchayat raj act, 1994 shall be in Form II.

(2) For every writ of demand issued under sub-rule (1), a fee of rupee two shall be charged.

32. Distraint and Sale :-

(1) If the amount due on account of any tax, fee or any other dues is not paid within thirty days from the date of service of the writ of demand and if the person from whom the tax or fee or other amount due has not shown cause to the satisfaction of the Grama Panchayat why it should not be paid, the Grama Panchayat may, by distraint under its warrant issued sell the moveable property of the defaulter wherever it may be within the Panchayat area or if the defaulter is the occupier of any building or land in respect of which a tax is due, by distraint and sale of any moveable property which may be found in or on such building or land, recover the amount due on account of the tax, fee or other dues together with the fee on writ of demand, and distress fee and such further sums as will satisfy the probable charges, that will be incurred in connection with the detention and sale of the property so distrained:

Provided always that moveable property described in the proviso to sub-section (1) of Section 60 of the Code of Civil Procedure, 1908 (Central Act 5 of 1908) shall not be liable to distraint.

(2) Every warrant of distraint and sale issued under sub-rule (1) shall be in Form III and shall be signed by the Adhyaksha and such warrant shall be executed by the Secretary.

33. Manner of Executing Warrant :-

(1) The Secretary shall before making a distraint, demand payment of the tax, fee or other dues and the fee on writ of demand if the tax fee and other dues and the, for a writ of demand are paid, no distraint shall be made but if it is not paid the Secretary shall:

(a) Seize such moveable property of the defaulter as he think necessary.

(b) Make an inventory of the property seized; and

(c) Give to the person in possession of the property seized at the time of the seizure, a copy of the inventory and a notice of sale in Form IV:

Provided that a period of seven days shall be allowed for paying the

amounts due and redeeming the properties seized.

(2) No person executing any process directing or authorising the seizure of moveable property shall enter a dwelling house after sun-set and before sun-rise.

(3) Under a special order in writing of the Adhyaksha the Secretary who is charged with the execution of a warrant of distress may, between sun-rise and sun-set, break open any outer or inner door or window of a building in order to make the distress, if he has reasonable ground for believing that such building contains property which is liable to seizure and if, after notifying his authority and purpose and duly demanding admittance, he cannot otherwise obtain admittance:

Provided that the Secretary shall not enter or break open the door of any apartment appropriated to women until he has given three hour's notice of his intention and has given such women an opportunity to withdraw.

34. Distress not to be excessive :-

The distress shall not be excessive, that is to say, the property distrained shall as nearly as possible be equal to the value of the tax, fee or other amount due by the defaulter together with all expenses incidental to the warrant, distraint, detention and sale.

35. Sale :-

(1) If the amount due by the defaulter on account of the tax, fee or other amount due and the fee on writ of demand and distraint fee and the expenses incidental to the detention of the property are not paid within the period of seven days mentioned in the writ of demand under Rule 31 and if the distraint warrant is not suspended by the Adhyaksha the property seized or a sufficient portion thereof, shall be sold by public auction by the Secretary under the orders of the Adhyaksha. The Secretary shall apply the proceeds of the sale to the payment of the amount due on account of tax, fee or other amount due and the fee on writ of demand and distraint fee and the expenses incidental to the detention and sale of the property and shall return to the person in whose possession the property was, at the time of seizure any property or sum which may remain after the sale and the application of the proceeds thereof as aforesaid. If the proceeds of the sale are insufficient for the payment of the amount due on account of the tax, fee and the expenses incidental to the detention and sale of the property the

Secretary may again proceed under these rules in respect of the sum remaining unpaid.

(2) When the property seized is perishable or subject to speedy and natural decay and the expenses of keeping it well, together with the amount of tax, fee or other amount due, exceeds the value of the property, the Secretary may sell it at any time before the expiry of the said period of seven days unless the amount due is sooner paid.

(3) The Adhyaksha shall consider any objection to the distraint of any property which is made within the said period of seven days and may postpone the sale pending investigation thereof. If the Adhyaksha decides that the property attached was not liable to distraint, he shall return it or if it has already been sold, the proceeds of the sale to the person appearing to be entitled thereto and by again proceed under these rules and all fees and expenses connected with the first distraint and sale shall be recoverable from the defaulter, if it shall appear to the Adhyaksha that he wilfully permitted the distraint of the property when to his knowledge it was not liable to distraint.

36. Prosecution of a defaulter :-

(1) If for any reason the distraint or sufficient distraint of the defaulters property is impracticable, the Adhyaksha may prosecute the defaulter before a Magistrate.

(2) Every person who is prosecuted under sub-rule (1) shall be liable, on proof to the satisfaction of the Magistrate that he wilfully omitted to pay the amount due by him or that he wilfully prevented distraint or sufficient distraint, to pay a fine not exceeding five hundred rupees.

(3) Whenever any person is convicted of an offence under sub-rule (2) the Magistrate, shall in addition to any fine which may be imposed recover, summarily and pay over to the Grama Panchayat the amounts, if any due from such person on amount of the tax fee or other amount due and the fee on writ of demand distraint fee and the expenses incidental to the detention and sale if any, and may in his discretion, also recover summarily and pay the Grama Panchayat such amount, if any, as he may fix as the costs of the prosecution.

37. Fee on Distraint :-

(a) Fees at the rates specified in the table below shall be levied on distraints under sub-section (5) of S.200 of the karnataka panchayat raj act, 1994 with reference to the amount due for which the distraint is made.

(a) Sub Distained for

	Fee Rs. P.
Below rupee one	0-50
Rupee one and above but less than rupees five	1-00
Rupees five and above but less than rupees ten	2-00
Rupees ten and above but less than rupees fifteen	3-00
Rupees fifteen and above but less than rupees twenty	4-00
Rupees twenty and above but less than rupees twenty-five	5-00
Rupees twenty-five and above but less than rupees thirty	6-00
Rupees thirty and above but less than rupees thirty-five	9-00
Rupees thirty-five and above but less than rupees forty	10-00
Rupees forty and above but less than rupees forty-five	11-00
Rupees forty-five and above but less than rupees fifty	12-00
Rupees fifty and above but less than rupees sixty	13-00
Rupees sixty and above but less than rupees eighty	14-00
Rupees eighty and above but less than rupees eighty	15-00
Rupees hundred and above	20-00

(b) such fees shall include all expenses except,

(i) the cost of maintaining any live-stock or the expenses incidental to the detention of the distrained property; and

(ii) the charges payable on account of staff kept in-charge of distrained property, namely, rupees five daily for such member of the staff.

38. Fee for Maintaining Live-stock, etc :-

The following fee shall be levied towards the cost of maintaining any livestock seized under these rules, namely.

(1) Horse, mare, gelding, pony, colt, filly, mule, bullock, cow, keifer or buffalo :- Rs. 5 per day

(2) Calf, pig, ram, ewe, sheep, lamb, goat or kid :- Rs. 2 per day

39. Appeal :-

An appeal under S.201 of the karnataka panchayat raj act, 1994 shall lie to the Zilla Panchayat. The appeal shall not be entertained by the Zilla Panchayat unless.

(i) it reaches the office of the Zilla Panchayat within fifteen days, after the tax or fees complained of has been assessed, levied or imposed; and

(ii) the tax or fee in respect of which appeal is preferred has been paid or deposited in the office of the Grama Panchayat:

Provided that the Zilla Panchayat may admit an appeal after the period specified in clause (i) if sufficient cause is shown to its satisfaction for not preferring it within the said time:

Provided further that the Zilla Panchayat may admit an appeal even though the tax or fee in respect of which an appeal is preferred has not been paid or deposited in the office of the Grama Panchayat, if such non-payment is on account of poverty or any other sufficient reason.