
Karnataka Taxation Laws (Amendment) Act, 2003**7 of 2003****[29 March 2003]****CONTENTS**

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Karnataka Taxation Laws (Amendment) Act, 2003**7 of 2003****[29 March 2003]**

An Act further to amend certain taxation laws as in force in the State of Karnataka. Whereas it is expedient to amend certain taxation laws for the purpose hereinafter appearing: Be it enacted by the Karnataka State Legislature in Fifty-fourth year of the Republic of India, as follows:-

1. Short Title And Commencement :-

- (1) This Act may be called the Karnataka Taxation Laws (Amendment) Act, 2003.
- (2) It shall come into force with effect from the first day of April, 2003.

2. Amendment Of Karnataka Act 22 Of 1957 :-

In the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), (1) in section 8,
(i) in the heading, after the word "tea", the words and punctuation mark", coffee and rubber" shall be deemed to have been inserted from the first day of April, 2002,

(ii) after the word "tea", the words "coffee and rubber" shall be deemed to have been inserted from the first day of April, 2002,
(2) in section 18, in sub-section (3-A), the following proviso shall be deemed to have been inserted from the first day of April, 2002, namely,-

"Provided that in the case of an assessee holding land not exceeding fifty acres, the interest payable shall not exceed five thousand rupees."

3. Amendment Of Karnataka Act 25 Of 1957 :-

In the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957),

(1) in section 5,

(a) in sub-section (3), in clause (a),

(i) after the sixth proviso, the following shall be deemed to have been inserted from the first day of April, 1995 and shall be deemed to have been omitted from the first day of April, 1996, namely.-

" Provided also that no tax under this sub-section shall be payable by an undertaking of the Central Government on its turnover relating to sale under Public Distribution System of sugar imported from outside the country",

(ii) after the proviso so inserted, the following shall be and shall be deemed to have been inserted with effect from the first day of April 2000, namely,-" Provided also that the taxable turnover in respect of sale of Beer shall be arrived at by deducting the charges levied as litre fee under sub-rule (3) of rule 2 of the Karnataka Excise (Duties and Fees) Rules, 1968",

(iii) after Explanation II, the following shall be and shall be deemed to have been inserted with effect from the first day of April 2002, namely,-

"Explanation III.- For the purpose of the sixth proviso to clause (a), where goods are sold, under a brand name by the trade mark holder or the brand name holder or any other dealer having the right as proprietor or otherwise to use the said name or trade mark either directly or through another on his own account or on account of others, who is exempt from tax by any notification issued under Section 8-A or Section 19-C, the expression "tax already paid" means the tax payable under this Section on such sale if the sale had been effected by any other dealer."

(b) in sub-section (4), in the first proviso, for the words "tax has been paid", the words "tax has become payable" shall be deemed to have been inserted from the first day of April, 2000,

(2) in section 6, after the proviso, the following shall be deemed to have been inserted from the first day of April, 1998 and shall be deemed to have been omitted from the first day of April, 1999, namely,-

"Provided further that no tax shall be payable under this section on the purchase of sowing seeds",

(3) in section 10, after sub-section (4), the following shall be inserted, namely,-

" (5) Nothing in this section shall apply to any dealer registered under the Karnataka Value Added Tax Act, 2003 and who is not a dealer in petrol, diesel, aviation turbine fuel, lottery tickets and sugarcane."

(4) in section 10-A, after sub-section (10), the following shall be inserted, namely,-

" (11) No dealer who is registered under the Karnataka Value Added Tax Act, 2003, shall be required to pay registration or renewal fee under this Act."

(5) in fifth Schedule, in the entries relating to serial number 2, for the word "flowers", the words and punctuation mark "flowers, fruits" shall be deemed to have been substituted from the first day of April, 2000.

4. Amendment Of Karnataka Act 30 Of 1958 :-

In the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958).-

(1) in section 2, in clause (i), in the Explanation, after the word, figure and letters "Section 4-AA", the words "any sponsorship fee or advertisement charges paid to the proprietor or any person connected with or conducting or organizing any event of sport" shall be inserted,

(2) in section 3, in sub-section (1-A), after the word and figure "section 2", the words, figures and letters "other than an entertainment on which tax is levied under section 4-E or 4-F" shall be deemed to have been inserted with effect from the first day of April, 2002,

(3) after section 3 the following section shall be inserted, namely,-
"3-A. Additional tax on admission.- In the case of cinematograph shows, in addition to the tax leviable under section 3, there shall be levied and paid to the State Government a tax on each payment for admission to any class at the following rates namely,-

Sl. No. Classification of Theatres Amount

(1) (2) (3)

1 Air-conditioned and Air-cooled Theatres One rupee on each payment for admission

2 Other Theatres Fifty paise on each payment for admission

(3) in section 3-C,-

(i) in sub-section (1), in clause (a), in the first proviso, the words and figures "up to 31st day of March, 2002", shall be deemed always to have been omitted,

(ii) for the word and figure "section 3" wherever they occur, the words, figures and letter "sections 3 and 3-A" shall be substituted,

(4) in section 4, for the word and figure "section 3" wherever they occur, the words, figures and letter "sections 3 and 3-A" shall be substituted,

(5) in section 4-A, for the word and figure "section 3", the words, figures and letter "sections 3 and 3-A" shall be substituted,

(6) in sections 4-AA, 4-B and 4-C, for the word and figure "section 3" wherever they occur, the words, figures and letter "sections 3 and 3-A" shall be substituted,

(7) in section 4-D, in the table,

(i) in the entries relating to serial number 1, in column 3, for the words "Rupees three thousand per month", the words "Rupees seven thousand five hundred per month" shall be substituted,

(ii) in the entries relating to serial number 2, in column 3, for the words, "Rupees two thousand per month", the words "Rupees four thousand per month" shall be substituted,

(8) in section 4-E,-

(i) after the words " admission to ", the words " or participation in " shall be deemed always to have been inserted,

(ii) the following proviso shall be inserted, namely,-

"Provided that no tax shall be levied where the payment for admission excluding the amount of tax, does not exceed two hundred and fifty rupees."

(9) in section 4-F,-

(i) after the words " admission to ", the words " or participation in " shall be deemed always to have been inserted,

(ii) the following proviso shall be inserted, namely,-

"Provided that no tax shall be levied where the payment for admission excluding the amount of tax, does not exceed two hundred and fifty rupees."

5. Amendment Of Karnataka Act 35 Of 1976 :-

In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.-

(1) in section 2, after clause (h), the following explanation shall be inserted, namely,-

"Explanation.- Every branch of a firm, company, corporation or other corporate body, any society, club or association shall be deemed to be a person."

(2) for the schedule including the explanations the following shall be substituted, namely,-

SCHEDULE

[See Section 3(2)]

Rates of tax on professions, trades, callings and employments

Sl. No.	Class of persons	Rate of tax
1	Salary or wage earners whose salary or wage or both, as the case may be, for a month is,-	
	(a) not less than Rs.3,000 but less than Rs.5,000	Rs.30 per month
	(b) not less than Rs.5,000 but less than Rs.8,000	Rs.60 per month
	(c) not less than Rs.8,000 but less than Rs.10,000	Rs.100 per month
	(d) not less than Rs.10,000 but less than Rs.15,000	Rs.150 per month
	(e) Rs.15,000 and above	Rs.200 per month
2	Legal practitioners including Solicitors and Notaries public:-	
	(a) in the Bangalore Urban Agglomeration where standing in the profession is-	
	(i) less than 5 years	Nil
	(ii) 5 years or more but less than 15 years	Rs.1500 per annum
	(iii) 15 years or more	Rs.2500 per annum
	(b) in any other area in the State is-	
	(i) less than 5 years	Nil
	(ii) 5 years or more but less than 15 years	Rs.1000 per annum
	(iii) 15 years or more	Rs.1500 per annum
3	Technical and Professional Consultants other than those mentioned elsewhere in the Schedule but including plumbing and Tax consultants:-	
	(a) in the Bangalore Urban Agglomeration where standing in the profession is-	

	(i) less than 2 years	Nil
	(ii) 2 years or more but less than 5 years	Rs.1000 per annum
	(iii) 5 years or more but less than 10 years	Rs.1500 per annum
	(iv) 10 years or more	Rs.2500 per annum
	(b) in any other area in the State is-	
	(i) less than 2 years	Nil
	(ii) 2 years or more but less than 10 years	Rs.1000 per annum
	(iii) 10 years or more	Rs.1500 per annum
4	(i) Chief Agents, Principal Agents, Special Agents, Insurance Agents and Surveyors or Loss Assessors registered or licensed under the Insurance Act, 1938 (Central Act IV of 1938) whose annual income is not less than Rs.36,000.	Rs.1500 per annum
	(ii) Pigmy Agents or UTI Agents whose annual income is not less than Rs.36,000.	Rs. 1000 per annum
	Explanation: For the purpose of this item income shall be deemed to be the commission or any other remuneration by whatever name called, earned by the person as such Chief Agent, Principal Agent, Special Agent, Insurance Agent, Survey or Loss Assessor or Pigmy Agents or UTI Agents.	
5	Chartered Accountants and Actuaries where the standing in the profession is,-	
	(i) Less than 2 years	Nil
	(ii) Not less than 2 years but less than 5 years	Rs.1000 per annum
	(iii) 5 years or more	Rs.2500 per annum
6	Medical Practitioners, including Medical Consultants (other than practitioners of Ayurvedic, Homeopathic and Unani Systems of medicines), Dentists, Radiologists, Pathologists and persons engaged in	
	other similar professions or callings of a para-medical nature:-	
	(a) in the Bangalore Urban Agglomeration where standing in the profession is-	
	(i) Less than 2 years	Nil
	(ii) 2 years or more but less than 5 years	Rs.1000 per annum
	(iii) 5 years or more	Rs.2500 per annum
	(b) in any other area in the State-	
	(i) Less than 2 years	Nil
	(ii) 2 years or more but less than 5 years	Rs.1000

	(iii) 5 years or more but less than 10 years	per annum Rs.1500 per annum
	(iv) 10 years or more	Rs.2500 per annum
7	Engineers, RCC Consultants, Architects and Management Consultants-(a) in the Bangalore Urban Agglomeration where standing in the profession is-	
	(i) Less than 2 years	Nil
	(ii) 2 years or more but less than 5 years	Rs.1000 per annum
	(iii) 5 years or more	Rs.2500 per annum
	(b) in any other area in the State-	
	(i) Less than 2 years	Nil
	(ii) 2 years or more but less than 10 years	Rs.1000 per annum
	(iii) 10 years or more	Rs.1500 per annum
8	Members of Stock-Exchanges recognized under the Security Contracts (Regulation) Act, 1956	Rs.2500 per annum
9	Estate agents or brokers,	
	(i) in Bangalore Urban Agglomeration, (ii) in any other area in the State	Rs.2500 per annum
	(a) Income tax payees	Rs.1500 per annum
	(b) Other than (a) above	Rs.1000 per annum
10	Contractors executing works contract (as defined under the Karnataka Sales Tax Act, 1957 or the Karnataka Value Added Tax Act, 2003) where total consideration of all the contracts in a year is:-	
	(i) less than Rs.2 lakhs	Nil
	(ii) more than Rs.2 lakhs but less than Rs.10 lakhs	Rs.1000 per annum
	(iii) more than Rs.10 lakhs but less than Rs.25 lakhs	Rs.1500 per annum
	(iv) more than Rs.25 lakhs	Rs.2500 per annum
11	(i) Race horse owners and trainers licensed by the turf clubs.	Rs.2500 per
	(ii) Jockeys licensed by the turf clubs /	annum
	race clubs-	
	(a) in case of Apprentice Jockeys	Rs.1000 per annum
	(b) other than (a) above	Rs.2500 per annum
		Rs.2500

	(iii) Bookmakers licensed by turf clubs	per annum
12	Self-employed persons in the motion picture industries as follows: (a) Directors, Actors and Actresses (excluding Junior Artists), Playback Singers, recordists, editors	
	(i) Income tax payees	Rs.2500 per annum
	(ii) other than (i) above	Rs.1500 per annum
	(b) Cameramen and still photographers	Rs.900 per annum
13	Dealers registered or liable to be registered under the Karnataka Sales Tax Act, 1957 or the Karnataka Value Added Tax Act, 2003 whose total turnover in any year is-	
	(a) Upto Rs.2 lakhs	Nil
	(b) not less than Rs.2 lakhs but less than Rs.10 lakhs	Rs.1000 per annum
	(c) not less than Rs.10 lakhs but less than Rs.25 lakhs	Rs.1500 per annum
	(d) Rs.25 lakhs or more	Rs.2500 per annum
14	Occupiers of factories as defined under the Factories Act, 1948	Rs.1000 per annum
15	Employers of establishments defined under the Karnataka Shops and Commercial Establishments Act, 1961,-	
	(i) Where there are no employees	Nil.
	(ii) Where not more than 5 employees are employed	Rs.1000 per annum
	(iii) Where more than 5, but not more than 10 employees are employed	Rs.1500 per annum
	(iv) Where more than 10 employees are employed	Rs.2500 per annum
16	Owners of Oil Pumps and Service stations	Rs.2500 per annum
17	(i) Licensed wholesale dealers of liquors other than toddy and arrack	Rs.2500 per annum
	(ii) Licensed imported foreign liquor vendors other than those specified in (i) above.	Rs.2500 per annum
18	(i) Owners of residential hotels or lodging houses having less than 20 rooms	Rs.1500 per annum
	(ii) Owners of residential hotels or lodging houses having 20 rooms or more	Rs.2500 per annum
19	(i) Owners of cinema theatres but excluding touring talkies.	Rs.2500 per annum
	(ii) Owners of touring talkies	Rs.1500 per annum
		Rs.1000

	(iii) Owners of video parlours	per annum
20	Holders of permits of transport vehicles (other than auto rickshaws) granted under the Motor Vehicles Act, 1988.-	
	(a) owning only one vehicle	Rs.1000 per annum
	(b) owning more than one vehicle	Rs.2500 per annum
21	Money lenders licensed under the Karnataka Money Lenders Act, 1961	Rs.2500 per annum
22	Individuals or institutions conducting chit funds	Rs.2500 per annum
23	Cooperative Societies registered under the Karnataka Cooperative Societies Act and engaged in any profession, trade or calling.-	
	(i) State level societies	Rs.2500 per annum
	(ii) Cooperative sugar factories, spinning mills and banks	Rs.2500 per annum
	(iii) District level societies	Rs.1500 per annum
	(iv) Below district level but not below taluk level societies	Rs.1000 per annum
24	Banking companies as defined in the Banking Regulations Act, 1949	Rs.2500 per annum
25	Companies registered under the Companies Act, 1956 and engaged in any profession, trade or calling.	Rs.2500 per annum
26	Each partner of a firm engaged in any profession, trade or calling.	Rs.1000 per annum
27	Agriculturists growing plantation crops as defined in the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957)	
	(a) in extents of land exceeding 15 acres and less than 50 acres	Rs.1500 per annum
	(b) in extents of land exceeding 50 acres	Rs.2500 per annum
28	Photo laboratories, film processing laboratories and photo studios.-	
	(i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town	Rs.1500 per annum
	(ii) in any other area in the State	Rs.500 per annum
29	(a) Nursing home and hospital other than those run by the State or Central Government.	Rs.2500 per annum
	(b) Pathological testing laboratories and X-ray clinics.-	
	(i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town	Rs.2500 per annum
	(ii) in any other area in the State.	Rs.1000 per annum

30	Beauty parlours, dry cleaners and interior decorators-	
	(i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town	Rs.1500 per annum
	(ii) in any other area in the State.	Rs.1000 per annum
31	Film distributors	Rs.2500 per annum
32	(a) Travel agents not falling under sub-item (b) below.-	
	(i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town	Rs.1500 per annum
	(ii) in any other area in the State.	Rs.1000 per annum
	(b) Air travel agents	Rs.2500 per annum
33	Journalists	Rs.1000 per annum
34	Advertising firms / agencies	Rs.2500 per annum
35	Persons using photocopying machines for job works	Rs.1000 per annum
36	Video cassette libraries	Rs.1000 per annum
37	Educational Institutions and Tutorial Colleges or Institutes (other than those owned by the State or Central Government or Institutions teaching Kannada or English shorthand or typewriting).	Rs.2500 per annum
38	Persons owning / running STD/ISD/FAX Booths other than those owned / run by Government or physically handicapped persons.-	
	(i) In the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town	Rs.600 per annum
	(ii) In any other area in the State.	Rs.300 per annum
39	Persons providing entertainment using Dish Antennae and Cable TV-	
	(i) In the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town	Rs.1500 per annum
	(ii) In any other area in the State.	Rs.1000 per annum
40	Property Developers including Land Developers and Building / Flat Developers	Rs.2500 per annum
41	Persons owning / running,	
	(a) Computer Institutes selling time,	Rs.2500 per annum
	(b) Computer Training Institutes / Driving Institutes / Technical Training Institutes	Rs.1500 per annum
42	Persons owning Marriage Halls / Kalyana Mantaps.	Rs.2500 per annum
	Owners of bars and restaurants within the limits of City	Rs.2500

43	Municipal Corporation.	per annum
44	Licence Holders of distilleries, bottling units and vending of arrack (other than sub lessees)	Rs.2500 per annum
45	(a) Cinematograph film processors.	Rs.2500 per annum
	(b) Owners of outdoor film shooting units	Rs.2500 per annum
46	Persons licensed or approved as contractors by the Railways, State or Central Government, Corporations, Local Authorities or any other person or agency, namely, Contractors constructing roads, dams, canals, bridges, culverts including civil or masonry work, railways sleeper contractors, forest contractors and electrical contractors; where the total consideration of all the contract in a year is.-	
	(a) Upto Rs. 2 lakhs	Nil
	(b) Rs.2 lakhs and above but less than Rs.10 lakhs	Rs.1000 per annum
	(c) Rs. 10 lakhs and above but less than Rs.25 lakhs	Rs.1500 per annum
	(d) Rs. 25 lakhs and above	Rs.2500 per annum
47	Transport contractors including forwarding and clearing agents	Rs.2500 per annum
48	Bankers who are financing the trade	Rs.1500 per
	against hundies or other securities by way of short term advance on interest.	annum
49	(a) Authorised Assistant recognized by Stock Exchange	Rs.1000 per annum
	(b) Stock brokers, sub-brokers recognized by the Stock Exchange Board of India	Rs.2500 per annum
50	Persons running weigh bridges	Rs.1000 per annum
51	(a) Persons operating courier service	Rs.2500 per annum
	(b) Agents of courier service.-	
	(i) in Bangalore Urban Agglomeration	Rs.600 per annum
	(ii) in any other area in the State.	Rs.300 per annum
52	Persons operating wireless services including pagers service.	Rs.2500 per annum
53	(a) Persons operating mobile telephone service	Rs.2500 per annum
	(b) Persons providing internet service running internet cafes, information kiosks.	Rs.2500 per annum
	(c) Persons operating e-commerce business	Rs.2500 per annum

54	Persons operating Air taxi and helicopter services	Rs.2500 per annum
55	(a) Persons running clubs including recreation clubs	Rs.2500 per annum
	(b) Persons operating gymnasium	Rs.2500 per annum
56	Persons organizing events, pageants, fashion shows and the like.	Rs.2500 per annum
57	Persons operating city-taxi services	
	(i) in the Bangalore Urban Agglomeration	Rs.1500 per annum
	(ii) in any other area in the State	Rs.1000 per annum
58	Persons providing bill boards	Rs.1000 per annum
59	Designers and landscaping consultants, Vaastu, Fengshui and other similar consultants	
	(i) in the Bangalore Urban Agglomeration	Rs.1500 per annum
	(ii) in any other area in the State	Rs.1000 per annum
60	Persons engaged in placement services	Rs.2500 per annum
61	Persons running IT call centres	Rs.2500 per annum
62	Multi-system operators (TV signal providers)	Rs.2500 per annum
63	Yoga and Reiki Training Centres	
	(i) in the Bangalore Urban Agglomeration	Rs.1500 per annum
	(ii) in any other area in the State	Rs.1000 per annum
64	Persons trading in REP licences and Exim scrips	Rs.2500 per annum
65	On line lottery centres and agents	
	(i) in the Bangalore Urban Agglomeration	Rs.1500 per annum
	(ii) in any other area in the State	Rs.1000 per annum
66	Persons running security services	Rs.2500 per annum
67	Private radio broadcasters and operators Astrologers, Astropalmists, Numerologists and Faith healers	Rs.1500 per annum
68	(i) in the Bangalore Urban Agglomeration	Rs. 1500 per annum
	(ii) in any other area in the State	Rs. 1000 per annum
	Persons other than those mentioned in any of the preceding entries who are engaged in professions,	

69	trades, callings or employments as the State Government may from time to time by Notification specify.	Rs.1000 per annum
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Explanation I. - Notwithstanding anything in this Schedule, where a person is covered by more than one entry in the Schedule the highest rate of tax specified under any of those entries shall be applicable in his case.

Explanation II.- For purposes of determining the liability and the rate of tax in terms of Serial Number 15 in this Schedule, the higher number of workers and / or employees and / or employees at any time during the year shall be reckoned as the basis.

Explanation III.- For the purposes of Serial No. 16 of this Schedule where the oil pump or service station is held on lease by a lessee, such lessee shall be deemed to be the person liable under the Act.

Explanation IV.- No tax shall be levied under this Act on any firm except when it is engaged in any profession, trade or calling specified in Serial Numbers 2(a)(iii), 3(a)(iv), 5(iii), 6(a)(iii), 6(b)(iv), 7(a)(iii), 8, 8(i), 10(iv), 11(i), 11(ii)(b), 11(iii), 13(d), 15(iv), 16, 17, 18(ii), 19(i), 20(b), 21, 22, 27(b), 29(a), 29(b)(i), 31, 32(b), 34, 37, 40, 41(a), 42, 43, 44, 45, 46(d), 47, 49(b), 51(a), 52, 53, 54, 55, 56, 60, 61, 62, 64 and 66 of the Schedule.

Explanation V. - No tax shall be levied under this Act on any partner of a firm, which is engaged in any profession, trade or calling specified in Explanation IV above.

Explanation VI.- Notwithstanding anything contained in the Schedule, every branch of any self-employed assessee enumerated in any item of the Schedule shall be deemed to be a separate assessee for the purpose of levy of profession tax specified in the Schedule."

6. Amendment Of Karnataka Act 22 Of 1979 :-

In the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979).-

(1) in Section 2,

(i) for clause (1) excluding the explanation, the following shall be substituted, namely,-

" (1) " Charges for lodging " include charges for air-conditioning, telephone, telephone calls, television, radio, music, extra beds and the like but do not include any charges for food, drink, laundry or other amenities; "

(ii) for clause (6), the following shall be substituted, namely,-

" (6) "Proprietor, in relation to a Hotel or a Marriage Hall or a Club" means any person who is owning or holding a hotel or a marriage hall in any capacity recognized by law or the Secretary or Manager or any other person entrusted with the management of a club, and includes, the person who for the time being is in-charge of the management of the hotel or marriage hall or club;"

(2) in section 3, in sub-section (1), for clauses (a) to (c) excluding the provisos, the following shall be substituted, namely,-

"(a) Where the charges for lodging per room per day are more than four hundred rupees but less than seven hundred and fifty rupees.

Seven and one half percent of such charges.

(b) Where the charges for lodging per room per day are not less than seven hundred and fifty rupees. Ten percent of such charges."

(3) in section 3-C, for the words " two thousand ", the words " five thousand " shall be substituted.

(4) after section 3-C, the following shall be inserted, namely,-

" 3-D. Levy and collection of tax on luxury provided in a club.-

There shall be levied and collected a tax at the rate of six hundred rupees per annum per member on luxuries such as card room, bar, billiards room, snooker room and the like provided in a club to the members who are required to pay any amount as fee, deposit, donation or any other such charges by whatever name called.

Explanation I.- For the purpose of this section, a club means a body of persons registered under the Karnataka Societies Registration Act, 1960 (Karnataka Act 17 of 1960).

Explanation II.- Where any corporate membership or similar membership allows use of luxuries provided in a club by more than one person (other than a person who is a dependent of the member), tax shall be levied and collected in respect of every such person."

7. Amendment Of Karnataka Act 27 Of 1979 :-

In the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979).-

(1) in section 3, in sub-section (4), for the words " obtained from the prescribed authority and duly filled and signed", the word " issued" shall be substituted.

(2)after section 12-B, the following shall be Inserted, namely,-

" 12-C. Provision for clarification and advance rulings.-

The Authority for Clarification and Advance Rulings, (hereinafter referred to in this section as Authority) constituted under section 4 of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (hereinafter referred to as the said Act) shall be authorized to clarify the rate of tax applicable under this Act in respect of any goods liable to tax under the Act or the exigibility of any transaction to tax under the Act on an application by a dealer registered under the Act.

(2) All the provisions of the said Act including the rules made thereunder relating to the manner of making an application for issue of clarification, payment of fee, disposal and implementation of the order passed by the Authority shall mutatis mutandis apply

to this section."

(3) in section 13, in sub-section (3), after the proviso, the following shall be inserted, namely,-

" Provided further that where an order staying proceedings of recovery any tax or other amount is made in any proceedings relating to an appeal under sub-section (1), the Appellate Authority shall dispose of the appeal within a period of ninety days from the date of such order:

Provided also that if such appeal is not so disposed of within the period specified in the second proviso, the order of stay shall stand vacated after the expiry of the said period."

(4) in section 14, for sub-section (4), the following shall be substituted, namely,-

" (4) Notwithstanding that an appeal has been preferred under sub-section (1), the tax or penalty or any other amount, shall be paid in accordance with any order passed by the Deputy Commissioner or the Joint Commissioner under Section 13.

Provided that the Appellate Tribunal may, in its discretion, stay payment of one half of tax, if the appellant makes payment of the other half of the tax disputed.

Provided further that the Appellate Tribunal shall dispose of such appeal falling under the first proviso within a period of one hundred and eighty days from the date of the order staying proceedings of recovery of one half of tax and, if such appeal is not so disposed of within the period specified, the order of stay shall stand vacated after the said period."

8. Amendment Of Karnataka Act 14 Of 1959 :-

In the Karnataka Electricity (Taxation on Consumption) Act, 1959 (Karnataka Act 14 of 1959),-

(1) for section 3, the following section shall be substituted, namely:-"3. Levy of tax on electricity charges.- Subject to the provisions of this Act, there shall be levied and paid to the State Government, *advolorem* tax (hereinafter referred to as "electricity tax") at five percent on the electricity charges payable (excluding arrears) by all the consumers except consumers under agricultural (irrigation pump sets upto and inclusive of Ten Horse Power), Bhagya jyothi and Kutira jyothi categories."

(2) in section 4,-

(a) in sub-section (1), for the words "on the units of energy supplied by him to consumers", the words "on the electricity

charges included in the bill issued by him to the consumer" shall be substituted;

(b) in sub-section (3), the words "on the units of energy consumed by himself or supplied to such other person" shall be omitted.

(3) in section 5, for the words "amount of tax payable thereon under this Act", the words and figures "amount of tax payable thereon under section 3" shall be substituted.