
Karnataka Taxation Laws (Amendment) Act, 2010**5 of 2010****[30 March 2010]****CONTENTS**

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Karnataka Taxation Laws (Amendment) Act, 2010**5 of 2010****[30 March 2010]**

An Act further to amend certain taxation laws in force in the State of Karnataka. Whereas it is expedient further to amend certain taxation laws for the purposes hereinafter appearing; Be it enacted by the Karnataka State Legislature in the Sixty First 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, 2010.
- (2) It shall come into force with effect from the First day of April, 2010.

2. Amendment Of Karnataka Act 25 Of 1957 :-

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

(1) in section 2, in sub-section (1),-

(a) in clause (k), after sub-clause (vi), the following sub-clause shall be and shall deemed to have been inserted with effect from the second day of February, 1983, namely:-(vi-1) an unincorporated association or body of persons which supplies goods

to its members for cash, deferred payment or other valuable consideration;"

(b) in clause (t),-

(i) after sub-clause (iv), the following shall be and shall be deemed to have been inserted with effect from the second day of February, 1983, namely:-

"(v) a supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration;

(vi) a supply by way of or as part of any service or in any other manner whatsoever of goods, being food or any other article for human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration, and such transfer, delivery or supply of any goods shall be deemed to be a sale of those goods by the person making the transfer, delivery or supply and a purchase of those goods by the person to whom such transfer, delivery or supply is made."

(ii) Explanation 3-A shall be and shall be deemed to have been omitted with effect from the second day of February, 1983.

(2) in section 12,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (1-A), the following proviso shall be inserted, namely:-"Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(3) in section 12-B, in sub-section (1), after the fourth proviso, the following proviso shall be inserted, namely:-"Provided also that the specified class of dealers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the tax payable on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification."

(4) in section 13, in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-"Provided further that the specified class of dealers as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by

electronic remittance through internet in the manner specified in the said notification."

(5) in section 25-B,-

(a) in sub-section (3), the following proviso shall be inserted, namely:-"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (4), the following proviso shall be inserted, namely:-"Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable under sub-section (1) and cess payable under sub-section(2), by electronic remittance through internet in the manner specified in the said notification."

3. Amendment Of Karnataka Act 30 Of 1958 :-

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

(1) in section 6-A,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-"Provided further that the specified class of proprietors of entertainments as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (1-A), the following proviso shall be inserted, namely:-"Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax payable on the basis of the return under subsection (1), by electronic remittance through internet in the manner specified in the said notification."

(2) in section 9, in sub-section (1), the following proviso shall be inserted, namely:-"Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax or any other amount due under this act, by electronic remittance through internet in the manner specified in the said notification."

4. Amendment Of Karnataka Act 35 Of 1976 :-

In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976),-

(1) in section 6,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-"Provided further that the specified class of employers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-"Provided that the specified class of employers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(2) in section 6-A,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that the specified class of employers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-"Provided that the specified class of employers as may be notified by the Commissioner shall pay the tax payable on the basis of the statement under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(3) in section 10,-

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:-"Provided further that the specified class of enrolled persons as may be notified by the Commissioner shall pay the tax payable, by electronic remittance through internet and also submit the return in the prescribed form, electronically through internet, in the manner specified in the said notification."

(b) in sub-section (5), the following proviso shall be inserted, namely:-"Provided that the specified class of persons as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the amount of tax deducted on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification."

5. Amendment Of Karnataka Act 22 Of 1979 :-

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

(1) in section 3, in sub-section (1),-

(a) in the entries relating to serial number 2, for the words "Six per cent of such charges", the words "Eight per cent of such charges" shall be substituted;

(b) in the entries relating to serial number 3, for the words "Ten per cent of such charges", the words "Twelve per cent of such charges" shall be substituted.

(2) in section 5,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-"Provided that the specified class of proprietors as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-"Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(3) in section 5-A,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-"Provided that the specified class of proprietors as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-"Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax payable on the basis of the statement under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(4) in section 8, in sub-section (1), the following proviso shall be inserted, namely:-"Provided that the specified class of proprietors as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification."

(5) in section 11-A, in sub-section (1), for the words "sixty days" in two places where they occur, the words "one hundred and eighty days" shall be substituted.

6. 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 5,-

(a) in sub-section (1), the following proviso shall be inserted, namely:-"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification."

(b) in sub-section (2), the following proviso shall be inserted, namely:-"Provided that the specified class of dealers as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification."

(2) in section 7, in sub-section (1), the following proviso shall be inserted, namely:-

"Provided that the specified class of dealers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the tax payable on the basis of the statement, by electronic remittance through internet, in the manner specified in the said notification."

(3) in section 8, in sub-section (1), the following proviso shall be inserted, namely:-"Provided further that the specified class of dealers as may be notified by the Commissioner shall pay the tax or any other amount due under this Act, by electronic remittance through internet in the manner specified in the said notification."

(4) after section 8-A, the following shall be inserted, namely:-

"8-B. Payment of tax at source in the case of sugar.-

(1) Notwithstanding anything contained in sections 7 and 8, every dealer purchasing sugar from a manufacturer in the State, shall pay an amount equivalent to the tax payable by such dealer under the Act on entry of sugar so purchased into a local area in the State by such dealer to such manufacturer of sugar.

(2) Every manufacturer of sugar to whom an amount is payable by a purchaser as specified under sub-section (1), shall deliver sugar to the purchaser only after payment of such amount to him and where the sugar is delivered without payment of such amount, it shall be deemed to be an amount due under this Act from such manufacturer of sugar.

(3) Every manufacturer of sugar in the State shall submit every month to the prescribed authority a statement in the prescribed form containing particulars of tax paid to him under sub-section (1) during the preceding month and remit the amount of tax so paid to him within twenty days after the close of the preceding month in which such payment was made and the amount liable to be so

remitted shall be deemed to be an amount due under this Act.

Provided that the specified class of manufacturers as may be notified by the Commissioner shall submit the statement in the prescribed form, electronically through internet and also pay the amount of tax payable on such statement, by electronic remittance through internet, in the manner specified in the said notification.

(4) The manufacturer of sugar to whom payment is made under sub-section (3), shall furnish to the purchaser who has made such payment, a certificate obtained from the prescribed authority containing such particulars as may be prescribed.

(5) Payment in accordance with sub-section (1), shall be without prejudice to any other mode of recovery of tax due under this Act from the purchasing dealer on entry of sugar purchased.

(6) Where tax in respect of purchase of sugar is remitted under sub-section (3), the tax payable by the purchasing dealer on entry of such sugar or where no tax is payable in respect of purchase of such sugar, any other tax payable by the purchasing dealer, shall be reduced by the amount of tax already remitted under the said sub-section.

(7) The burden of proving that the tax on such entry of sugar has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction."

(5) in section 12-C, in sub-section (1), for the words, figures and brackets "Section 4 of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957)", the words, figures and brackets "section 60 of the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004)" shall be substituted.

7. Validation Of Assessments, Etc :-

Notwithstanding anything contained in any judgment, decree or order of any Court, Tribunal or other authority to the contrary, anything done or any action taken or purporting to have been done or taken (including any notices or orders issued and all proceedings held for the levy, assessment and collection of tax or amount purported to have been collected by way of tax in relation to such levy, assessment and collection) under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) (hereinafter referred to as the said Act) before the commencement of this Act from an unincorporated association or body of persons which supplies goods to its members for cash, deferred payments or other valuable consideration shall be deemed to be valid and

effective as if such levy, assessment or collection or action or thing had been made, taken or done under the said Act, as amended by this Act and accordingly,-

(a) all acts, proceedings or things taken or done by any authority in connection with levy, assessment or collection of such tax shall, for all purposes be deemed to be, and to have always been taken or done in accordance with law;

(b) no suit or other proceedings shall be maintained or continued in any Court of Tribunal or before any authority for the refund of any such tax; and

(c) no Court shall enforce any decree or order directing the refund of any such tax.