
Karnataka Value Added Tax (Amendment) Act, 2009

5 of 2009

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An Act further to amend the Karnataka Value Added Tax Act, 2003. Whereas it is expedient further to amend the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) for the purposes hereinafter appearing; Be it enacted by the Karnataka State Legislature in the sixtieth year of the Republic of India, as follows:-

1. Short Title And Commencement :-

- (1) This Act may be called the Karnataka Value Added Tax (Amendment) Act, 2009.
- (2) It shall come into force with effect from the First day of April, 2009.

2. Amendment Of Section 2 :-

In the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) (hereinafter referred to as the principal Act), in section 2, after clause (13) ,the following shall be inserted, namely:-

"(13-A) "Electronic tax register" means a secure fiscal electronic device meant to issue tax invoices or bills of sale and record the details of such sales, and includes a printer and a device to affix signature of the dealer or his agent."

3. Amendment Of Section 11 :-

In section 11 of the principal Act, in sub-section (c), for the words "who is claiming deduction on any amount ", the words "in respect of the amount claimed as deduction" shall be and shall always be deemed to have been substituted;

4. Amendment Of Section 19 :-

In section 19 of the principal Act,-

(1) in the heading after the words "in use", the words "or tax payment scheme" shall be inserted;

(2) after sub-section (2), the following shall be inserted, namely :

"(3) Where a registered dealer after deducting input tax on any goods used in the course of his business, opts for composition of tax under section 15, the input tax deducted on the goods held in stock on the date on which the dealer so opts shall be repayable by the dealer in the tax period following such date and the input tax so repayable shall be calculated on the market value of such goods on such date." ;

5. Amendment Of Section 23 :-

In section 23 of the principal Act, after the words "complete particulars", the words and figures "and such dealer on becoming liable to register under section 22 shall on the date he becomes so liable, be eligible for deduction of input tax as specified under section 13 subject to the conditions specified in section 11" shall be inserted;

6. Amendment Of Section 27 :-

In section 27 of the principal Act, in sub-section (1), the following shall be inserted, namely:-

"Provided that in the case of a deceased individual, on application by his legal heirs for transfer of registration and subject to such conditions as may be prescribed, the prescribed authority may instead of cancellation permit transfer of his certificate of registration to the legal heirs.";

7. Amendment Of Section 31 :-

In section 31 of the principal Act,-

(1) after sub-section (2), the following sub-sections shall be inserted, namely:-

"(2-A) The Commissioner may require every registered dealer belonging to a class of dealers as may be notified by him to install and use an electronic tax register of such type and description and secured in such manner as may be prescribed, for the purpose of accessing information regarding any matter or transaction which may affect the tax liability of such dealer.

(2-B) Notwithstanding anything contained in sub-sections (1) to (3) of section 29, every registered dealer falling under sub-section (2-A), shall issue tax invoices or bills of sale, through the electronic tax register, irrespective of the value of the goods sold and such dealer shall be allowed to recover the cost of the electronic tax register, in the manner and subject to such conditions as may be prescribed";

(2) in sub-section (4), for the words "taxable turnover", the words "total turnover" shall be substituted.

8. Amendment Of Section 35 :-

In section 35 of the principal Act, in sub-section (1), after the words " twenty days", the words " or fifteen days" shall be inserted.

9. Amendment Of Section 52 :-

In section 52 of the principal Act,-

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

(a) after clause (b), the following clause shall be inserted, namely:-

"(b-1) to direct such dealer to produce electronic tax register for examination;" ;

(b) in clause (e),

(i) after the word registers, the words "including electronic tax registers" shall be inserted ;

(ii) after the word "records", the words "including electronic tax registers" shall be inserted;

(2) after sub-section (1), the following shall be inserted, namely :

"(1-A) The audit party authorized by the Comptroller and Auditor General of India shall have the power to direct any registered dealer to produce at such time and such place as it may specify, accounts, registers, electronic tax register and documents relating

to his business activity for examination." ;

(3) in sub-section (2), for the words, brackets and figure "officer authorised under sub-section (1)", the words, brackets, figures and alphabet "officer or audit party authorised under sub-section (1) or (1-a)" shall be substituted.

10. Amendment Of Section 53 :-

In section 53 of the principal Act, in sub-section (2), in clause (b), after the word "prescribed", the words "or notified by the Commissioner" shall be inserted.

11. Amendment Of Section 62 :-

In section 62 of the principal Act, in sub-section (6-A), for clause (ii), the following shall be substituted, namely :-

"(ii) The appellate authority shall pass an order by disposing of an appeal, within a period of ninety days from the date on which the hearing of the case was concluded."

12. Amendment Of Section 64 :-

In section 64 of the principal Act, in sub-section (3), the following proviso shall be inserted, namely:-

"Provided that in the case of an order passed by the appellate authority under section 62 allowing the appeal preferred in full, the condition specified in clause (a) shall not apply."

13. Amendment Of Section 74 :-

In section 74 of the principal Act, in sub-section (4), for the words "failure", the words "failure to submit a copy of the audited statement of accounts " shall be and shall always be deemed to have been substituted;

14. Amendment Of Section 77 :-

In section 77 of the principal Act,-

(1) in the heading after the word "seals", a comma and the words ",electronic tax registers" shall be inserted;

(2) after sub-section (1) , the following sub-section shall be inserted, namely :

"(1-A) Any registered dealer falling under sub-section (2-A) of section 31, who,

(a) refuses to install an electronic tax register; or
(b) refuses or fails to use the electronic register installed; or
(c) removes or in any way tampers with the seal used to secure any electronic tax register installed or destroys or attempts to destroy any electronic tax register installed,
shall be liable on conviction by a Court, not inferior to that of a Magistrate of the First Class, to a fine of not less than five thousand rupees but not exceeding twenty five thousand rupees and imprisonment for a period not exceeding one year."

The above translation of 2009 (2009: 5) be published in the official Gazette under clause (3) of Article 348 of the Constitution of India.