THE KARNATAKA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENT ACT, 1976

ARRANGEMENT OF SECTIONS

Statements of Objects and Reasons

Sections:

1. Short title, extent and commencement.
2. Definitions.
3. Levy and charge of tax.

3A. Omitted.

4. Employer's liability to deduct and pay tax on behalf of employees.
5. Registration and enrolment.
6. Return.

6A. Payment of tax in advance.

7. Assessment of employer or person.

7A. Omitted.

8. Rectification of mistakes.
9. Assessment of escaped tax.
10. Payment of Tax by enrolled persons [1][and deduction of tax in the case of certain enrolled persons
11. Consequences of failure to deduct or to pay tax.
12. Penalty for non-payment of tax.
13. Recovery of tax and other amounts and period of limitation for recovery of tax
14. Authorities for implementation of the Act.

14A. Instruction to subordinate authorities.

15. Appointment of Collecting Agents.
16. Appeals.
17. Appeal to the Appellate Tribunal.
18. Revision by Commissioner, Additional Commissioner, Joint Commissioner and Deputy Commissioner.

18A. Revision by High Court in certain cases.

19. Accounts.
20. Special mode of recovery.
21. Production and inspection of accounts and documents and search of premises.
22. Refunds.
23. Offences and penalties.

24. Offences by companies.
25. Power to transfer proceedings.
26. Compounding of offences.
27. Powers to enforce attendance, etc.
28. Bar of suits, etc.
28A. Appearance before any authority in proceedings
29. Power to exempt.
30. Local authorities not to levy profession tax.
31. Cesses not to be levied in certain cases.
32. Grants to local authorities for loss of revenue.
33. Power of make rules.
34. Power to remove difficulties.
SCHEDULE.

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STATEMENTS OF OBJECTS AND REASONS

I

Act 35 of 1976.- In order to augment the revenues of the State, it is considered necessary to levy a tax on professions, trade, callings and employments.

Salary and wage earners having a monthly income of Rs. 500 and above will be required to pay the said Tax, according to a graded scale. Self-employed persons will be required to pay fixed amounts ranging from Rs. 50 to Rs 250 per year, the levy being based on broad criteria related to the earning capacity of different groups of profession.

Provision is made for registration of employers and enrolment of self-employed persons and the procedure for the levy and collection of the Tax is laid down.

Provisions is also made for appeals and other ancillary matters for the administration of the Tax.

With the levy of Profession Tax by the State Government, the powers which the local bodies to levy this tax have at present is proposed to be withdrawn. But, provision is proposed for reimbursement of the loss of revenue to such of the local bodies as are levying the tax at present.

Hence this Bill

(Obtained from L.A. Bill No. 34 of 1976.)

II

Amending Act 8 of 1981.- At present the Insurance Agents are liable to pay profession tax according to their standing in the profession and the

places at which they carry on the profession. It was represented that the existing provisions cause hard-ship to them. On a Careful consideration of the question, it is proposed to allow them to pay tax on a slab system, similar to that provided for salary or wage earners under the Act.

(Obtained from L.A. Bill No 39 of 1981)

III

Amending Act 13 of 1982.- In the budget speech for the year 1982–83, the Hon'ble Minister of Finance and Tourism, has indicated several proposal in order to augment the revenue of the State. This Bill seeks to give effect to the said proposals. Opportunity is taken to make some other minor amendments.

(Published Karnataka Gazette (Extraordinary) Part IV-2A, as No. 223, dated 27-3-1982, p. 31.)

IV

Amending Act 26 of 1982.- It is decided that there should be some minimum period of exercise of profession in year for attracting the tax liability under the Karnataka Tax on Professions, Traders, Callings and Employment Act , 1976. It is considered desirable to fix up the minimum period at 120 days in a year.

According to the proviso of item (xi) of section 94 of the Karnataka Municipalities Act, a tax under item (ix) shall not be levied where the Municipality levies of profession tax. As professions tax is now being levied in all cases, item (ix) of the proviso thereto of the Karnataka Municipalities Act are being deleted.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 10-6-1982 as, No 469.) (Obtained from L.A. Bill No. 23 of 1982.)

V

Amending Act 1 of 1985.- Amendment to Sl. No. 1 of the Schedule to the Act is proposed to incorporate the decision of the Government to exempt all wage earners who earn a wage or salary of less than Rs.1,500/- per month.

Opportunity is also taken to make certain other amendments for rationalising the existing provisions.

Hence this Bill.

(Obtained from L.A. Bill No. 31 of 1983)

VI

Amending Act 29 of 1985.- In his Budget Speech for 1985-86 the Chief Minister indicated that salary or wage earners whose basic salary/ wage is

less than Rs. 1,200/- per month and dealers whose annual turnover in less than Rs. 75,000/- would be exempted from payment of Professional tax and that some more professions would be brought into the tax net.

Hence this Bill.

(Obtained from L.A. Bill No. 25 of 1985)

VII

Amending Act 13 of 1986.- Since June, 1986, the worker relating to Profession Tax in respect of dealers registered under the Karnataka Sales Tax Act, 1957, is entrusted to the respective assessing authorities. It would be convenient for the officers who collect Registration Fee under the Karnataka Sales Tax Act, 1957 during the month of April every year, to collect simultaneously, the Profession Tax also for the dealers. It would be convenient for the dealers also. Hence, it is proposed to advance the last date for payment in respect of the enrolled persons from 30th September of the year to 30th April of the year.

(Obtained from L.A. Bill No. 20 of 1986.)

VIII

Amending Act 13 of 1987.- To give effect to the proposals made in the Budget Speech, it is proposed to amend the Karnataka Tax on Professions, trades, Calling and Employments Act, 1976.

Hence the Bill.

(Obtained from L.A. Bill No. 19 of 1987.)

IX

Amending Act 15 of 1989.- To give effect to the proposals made in the Budget speech it is proposed to amend the Karnataka Tax on Professions, Traders, Callings and Employments Act, 1976. Opportunity is also taken to amend section 11 of the Act to exempt from payment of balance of interest payable upto 31st March 1987 in respect of tax paid belatedly and also the interest payable on taxes due upto 31st March, 1987 if the taxes are paid on or before 30th June 1989.

Hence the Bill.

(Obtained from L.A. Bill No. 6 of 1989)

X

Amending Act 5 of 1990.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Tax of Professions, Traders, Callings and Employments Act, 1976.

Opportunity is also taken to rationalise certain provisions of the said Act.

Hence the Bill.

(Obtained from L.A. Bill No. 2 of 1990)

XI

Amending Act 13 of 1991.- To give effect to the proposal made in the Budget Speech, it is considered necessary to amend the Karnataka Tax on Professions, Traders, Callings and Employments Act, 1976.

Hence the Bill.

(Obtained from L.A. Bill No. 8 of 1991.)

XII

Amending Act 5 of 1992.- To give effect to the proposal made in the Budget Speech, it is considered necessary to amend the Karnataka Tax on Professions, Traders, Callings and Employments Act, 1976.

Opportunity is also taken to make consequential amendment to the said Act.

Hence the Bill.

(Obtained from L.A. Bill No. 13 of 1992)

XIII

Amending Act 5 of 1993.- Consequent to the re-designation of posts in the Commercial Tax Department, it has become necessary to make suitable amendments in the relevant Taxation Laws.

The full bench of our High Court in Shah Wallace case while overruling a Division Bench judgment of our High court in Janardhanacharya's case had held that the notifications issued under section 8A of the Karnataka Sales Tax Act, 1957 become inoperative when the relevant provisions of the Act are subsequently amended by way of insertion of any entry relating to the class of goods to which exemptions were given by the notifications. Therefore, it was considered necessary to suitably amend the said Act, to save the notifications already issued.

As the matter was urgent and both the Houses were not in session, the amendments were carried-out by promulgation of the Karnataka Taxation Laws (Amendment) Ordinance, 1992.

This Bill seeks to replace the above Ordinance, Hence the Bill.

(Obtained from LA Bill No. 29 of 1992.)

XIV

Amending Act 11 of 1993.- It is considered necessary to amend the Karnataka tax on Luxuries (Hotel and Lodging Houses) Act, 1979, the Karnataka Tax on Professions, Traders Callings and Employments Act, 1976, the Karnataka Entertainments Tax Act, 1958 and the Karnataka Sales Tax Act, 1957 to give effect to the proposals made in the budget speech and matters connected therewith.

Hence the Bill.

(Obtained from L.A. Bill No. 15 of 1993.)

XV

Amending Act 18 of 1994.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Entry of Goods Act, 1979, the Karnataka Entertainments Tax Act, 1958, the Mysore Betting Tax Act, 1932 and the Karnataka Agricultural Income Tax Act, 1957 to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from LA Bill No. 12 of 1994.)

XVI

Amending Act 6 of 1995.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Agricultural Income Tax Act, 1957, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Entertainment Tax Act, 1958, the Karnataka Tax on Entry of Goods Act, 1979, Karnataka Tax on Luxuries, (Hotels and Lodging House) Act, 1979, the Mysore Betting Tax Act, 1932 and to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from LA Bill No. 4 of 1995.)

XVII

Amending Act 5 of 1996.- It is considered necessary to amend the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979, the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, the Karnataka Entertainments Tax Act, 1958, the Karnataka Agricultural Income Tax Act, 1957, and the Karnataka Sales Tax Act, 1957 to give effect to the proposals made in the Budget speech and matters connected therewith.

Hence the Bill.

(Obtained from LA Bill No. 12 of 1996.)

XVIII

Amending Act 7 of 1997.- It is considered necessary to amend the Karnataka Tax on Luxuries (Hotels, Lodging Houses and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Excise Act 1966 (Karnataka Act 21 of 1966), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Mysore Betting Tax Act 1932 (Mysore Act IX of 1932), and to give effect to the proposals made in the Budget Speech and matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Obtained from LA Bill No. 12 of 1997.)

XIX

Amending Act 3 of 1998.- It is considered necessary to amend the Karnataka taxation Laws Amendment Act, 1997 (Karnataka Act 7 of 1997), the Karnataka Tax on Entry of Goods Act 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Luxuries (Hotel, Lodging Housed and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958), the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) and to give effect to the proposals made in the Budget Speech and matters connected therewith. Certain consequential amendments are also made.

Hence, the Bill.

(Obtained from L.A. Bill No. 6 of 1998.)

XX

Amending Act 5 of 2001.- To give effect to the proposals made in the budget speech, it is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karntaka Act 25 of 1957), the Karnataka Tax on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979), the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 2979), the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976 (Karnataka Act 35 of 1976) and the Karnataka Agricultural Income Tax, 1957 (Karnataka Act 22 of 1957). Certain consequential amendments are also made.

Hence, the Bill.

(Vide LA Bill No. 7 of 2001 File No. DAPL 9 SHASANA 2001)

XXI

Amending Act 7 of 2003.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Agricultural Income Tax Act, 1957, The Karnataka Tax Act, 1957, the Karnataka Entertainment Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, the Karnataka Tax on Luxuries Act, 1979 on Entry of Goods Act, 1979 and the Karnataka Electicity (Taxation on Consumption) Act, 1959.

Hence, the Bill.

(Vide LA Bill No. 9 of 2003 File No. SAMVYASHAE 17 SHASANA 2003)

XXII

Amending Act 13 of 2003.- It is considered necessary to prepare upto date Codal Volumes of the Karnataka Acts and to repeal all the spent Acts and amendment Acts from time to time.

The Government constituted One-man Committee for the above purpose. The Committee has reviewed the Karnataka Acts for the period from 1.11.1956 to 31.12.2000 and has proposed the "Repealing and Amending Bill, 2002" which seeks to repeal the following types of Acts,-

(i) Acts which amended the Karnataka Acts whether they are now in force or not;

(ii) Acts which amended regional Acts which are no longer in force;

(iii) Appropriation Acts as they are spent Acts;

(iv) Acts which have been struck down or by necessary implication struck down by the Courts;

(v) Acts which are by implication repealed by Central Acts;

(vi) Acts which are temporary and spent enactments; and

(vii) Acts which amend the Central Acts and regional Acts which are in force.

The Bill does not include Acts which are already repealed expressly.

This Bill also seeks to amend certain Acts which are considered necessary.

Hence the Bill.

[L.C. BILL No. 4 OF 2002]

[Various entries of List II and III of the Seventh Schedule]

XXIII

Amending Act 26 of 2004.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 o 1957), the Karnataka Entertainment Tax Act, 1958, (Karnataka Act 30 of 1958), , the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, 1979, (Karnataka Act 35 of 1976) the Karnataka Tax on Luxuries Act, and the Karnataka on Entry of Goods Act, 1979 (Karnataka Act 27 of 1979).

Opportunity is also taken to rationalize certain provisions of the said Acts and also to codify and make certain consequential emendments to implement reliefs already announced.

Hence, the Bill.

(Vide File No. SAMVYASHAE 23 SHASANA 2004)

XXIV

Amending Act 11 of 2005.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Sales Tax Act, 1957(Karnataka Act 25 of 1957), the Karnataka Entertainments Tax Act, 1958(Karnataka Act 30 of 1958), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976(Karnataka Act 35 of 1976), the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979), the Karnataka Tax on Lotteries Act, 2004 (Karnataka Act 3 of 2004), the Karnataka Special Tax on Entry of Certain Goods Act, 2004 (Karnataka Act 29 of 2004) and the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004).

Opportunity is also taken to rationalize certain provisions of the said Acts.

Hence the Bill.

XXV

Amending Act 5 of 2006.- It is considered necessary to amend the Karnataka Agriculture Income Tax Act, 1957, the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposal made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 6 of 2006]

XXVI

Amending Act 5 of 2007.- It is considered necessary to amend the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith and also to amend the

Karnataka Sales Tax Act, 1957 to provide for a provision for empowering the State Government to withdraw any notification issued under section 8-A either prospectively or retrospectively to give effect to the decision taken by the State Government with regard to discontinuance of sales tax based incentives to industries as a part of national consensus to bring in reforms in State taxes.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A.Bill No. 22 of 2007]

[Entries 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

XXVII

Amending Act 6 of 2008.-It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith or incidental thereto.

Opportunity is also taken to rationalise taxation and make certain consequential amendments also.

Hence the Bill.

(LA Bill No. 3 of 2008, File No.DPAL 11 Shashana 2008)

[Entry 60 of List II of the Seventh Schedule to the Constitution of India.)

XXVIII

Amending Act 7 of 2009.- It is considered necessary to amend the Mysore Betting tax Act, 1932, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Luxuries Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

(LA Bill No. 21 of 2009, File No.DPAL 13 Shashana 2009)

[Entries 60 and 62 List II of the Seventh Schedule to the Constitution of India.)

XXIX

Amending Act 5 of 2010.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith and specifically to,

(i) amend the Karnataka Sales Tax Act, 1957 to provide for levy of tax on supply of goods by an association or a body of persons like clubs, registered or unregistered, to its members retrospectively from second day of February, 1983 from which day by the forty-sixth amendment to the Constitution of India, the State Legislature was empowered to levy tax on such transactions so as to remove doubts raised in this regard because of the judgment of the Hon'ble High Court of Karnataka in the case of Century Club and Others versus The State of Mysore and another, declaring the provisions made in the Karnataka Sales Tax Act, 1957 before such constitutional amendment for levy of tax on such transactions as void and inoperative.

(ii) provide for collection of entry tax in advance under the Karnataka Tax on Entry of Goods Act, 1979 at the point of sugar factories selling sugar to dealers who subsequently cause entry of such sugar into any local area in the State.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A.Bill No. 9 of 2010, File No.DPAL 12 Shasana 2010]

[Entries 52,54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

XXX

Amending Act 15 of 2011.- It is considered necessary to amend the Mysore Betting Tax Act, 1932, the Mysore Race Courses Licensing Act, 1932, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to,

(i) extend the application of the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1952 for the whole of State of Karnataka;

(ii) to omit certain redundant provisions and the Schedules in the Betting Tax Act, 1932 and the Mysore Race Courses Licensing Act, 1952;

(iii) to repeal certain redundant enactments; and

(iv) give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No.11 of 2011, File No.Samvyashae 13 Shasana 2011]

[Entries 34,52, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

XXXI

Amending Act 18 of 2012.- It is considered necessary to amend the Karnataka Agricultural Income Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, the Karnataka Tax on Luxuries Act, 1979 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 4 of 2012, File No.Samvyashae 24 Shasana 2012]

[Entries 46, 52, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

XXXII

Amending Act 27 of 2013.- It is considered necessary to amend the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith.

Hence the Bill.

[L.A. Bill No.9 of 2013, File No. Samvyashae 17 Shasana 2013]

[Entries 52 and 60 of List II of the Seventh Schedule to the Constitution of India.]

XXXIII

Amending Act 53 of 2013.- It is considered necessary to amend the Karnataka Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 and the Karnataka Tax on Entry of Goods Act, 1979 to give effect to the proposals made in the Budget and matters connected therewith particularly to specify that any clarification issued by the Commissioner of Commercial Taxes under the Karnataka Sales Tax Act, 1957 or the Karnataka Tax on Entry of Goods Act, 1979 overrides the clarification of the Authority for Clarification and Advance Rulings.

Certain consequential and incidental amendments are also made.

Hence the Bill.

[L.A. Bill No. 07 of 2013, File No. Samvyashae 36 Shasana 2013]

[Entries 52, 54, 60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

XXXVI

Amending Act 05 of 2016.- To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958), Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Tax on luxuries Act, 1979 (Karnataka Act 22 of 1979) and the Karnataka Tax on Entry of Goods Act, 1979(Karnataka Act 27 of 1979). Opportunity is also taken to rationalize certain provisions of the said Acts and repeal The Karnataka Agriculture Income-Tax 1957 (Karnataka Act 22 of 1957).

Hence the Bill

[L.A. Bill No.11 of 2016, File No. Samvyashae 19 Shasana 2016]

[entries 46, 52,60 and 62 of List II of the Seventh Schedule to the Constitution of India.]

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KARNATAKA ACT NO. 35 OF 1976

(First published in the Karnataka Gazette Extraordinary on the Twenty-ninth day of April 1976)

THE KARNATAKA TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS ACT, 1976

(Received the assent of the Governor on the Twenty-eighth day of April 1976)

(As Amended by Acts 8 of 1981, 13 of 1982, 26 of 1982, 1 of 1985, 29 of 1985, 13 of 1986, 13 of 1987, 15 of 1989, 5 of 1990, 13 of 1991, 5 of 1992, 5 of 1993, 11 of 1993, 18 of 1994, 6 of 1995, 5 of 1996, 7 of 1997, 3 of 1998, 5 of 2001, 7 of 2003, 13 of 2003, 26 of 2004, 11 of 2005, 5 of 2006, 5 of 2007, 6 of 2008, 7 of 2009, 5 of 2010, 15 of 2011, 18 of 2012, 27 of 2013, 53 of 2013 and 05 of 2016.)

An Act to provide for the levy and collection of tax on professions, trades, callings and employments in the State.

WHEREAS it is expedient to provide for the levy and collection of a tax on professions, trades, callings and employments;

BE it enacted by the Karnataka State Legislature in the Twenty-seventh Year of the Republic of India as follows :-

1. Short title, extent and commencement.- (1) This Act may be called the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976.

(2) It extends to the whole of the State of Karnataka.

(3) It shall be deemed to have come into force on the first day of April, 1976.

2. Definitions.- In this Act, unless the context otherwise requires,-

(a) "assessee" means a person or employer by whom tax is payable under this Act;

(b) "assessing authority" means a [1][Deputy Commissioner of Profession Tax, Assistant Commissioner of Profession Tax][1] or [2][Profession Tax Officer][2] or any other officer authorised by the State Government in this behalf to make any assessment by or under this Act;

1. Substituted by Act 11 of 1993 w.e.f. 1.4.1993
2. Substituted by Act 5 of 1993 w.e.f. 9.11.1992

(c) "Bangalore Urban Agglomeration" means the area specified as such in Schedule I to the Urban Land (Ceiling and Regulation) Act, 1976 (Central Act 33 of 1976);

(d) "Commissioner" means the Commissioner of Profession Tax appointed under section 14 and includes a [1][Additional Commissioner][1] of Profession Tax (if any) appointed under that section:

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992

(e) [1]["Joint Commissioner"][1] means any person appointed to be a [1][Joint Commissioner][1] of Profession Tax under section 14;

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992

(f) "employer", in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for the disbursement of such salary or wages and includes the head of the office or any establishment as well as the manager or agent of the employer;

(g) "month means a calender month;

(h) "person" means any person who is engaged in any profession, trade, calling or employment in the State of Karnataka and includes a Hindu Undivided Family, firm, company, corporation or other corporate body, any society, club or association, so engaged but does not include any person who earns wages on a casual basis;

[1]**[Explanation.-** Every branch of a firm, company, corporation or other corporate body, any society, club or association whall be deemed to be a person.][1]

1. Inserted by Act 7 of 2003 w.e.f. 1.4.2003

(i) "profession tax" or "tax" means a tax leviable under the provisions of this Act;

[1][(j) 'salary' or 'wage' includes pay or wage, dearness allowance and all other remunerations received or receivable by any person including any amount received by way of arrears of salary or bonus by whatever name called whether payable in cash or kind and also includes perquisites and profits in lieu of salary as defined in section 17 of the Income Tax Act, 1961.

Explanation.- (i) Where 'bonus' by whatever name called is received in part or full, then such bonus shall be spread over for twelve months of the year or to such number of months the bonus relates for purposes of computation of 'Salary' or 'Wage' for such months.

(ii) Where arrears of salary is received in part or full, then such arrears shall be spread over for the relevant months for which it relates for purposes of computation of 'Salary' or 'Wage' for such months.][1]

1. Substituted by Act 15 of 1989 w.e.f. 1.4.1987

(k) "Schedule" means the Schedule appended to this Act;

(l) "Tribunal" means the Karnataka Appellate Tribunal constituted under the Karnataka Appellate Tribunal Act, 1976 (Karnataka Act 10 of 1976);

(m) "year" means the year commencing on the first day of April.

3. Levy and charge of tax.- (1) There shall be levied and collected a tax on professions, trades, callings and employment for the benefit of the State.

(2) Every person who exercises any profession or calling or is engaged in any trade or holds any appointment, public or private, or is employed in any manner in the State, specified in the second column of the Schedule, shall be liable to pay to the State Government the tax at the rate mentioned in the corresponding entry in the third column of the said Schedule :

Provided that no tax shall be payable by persons [1][x x x][1] who have attained sixty-five years of age.

1. Omitted by Act 5 of 1996 w.e.f. 1.4.1996

[1][Provided further that the levy and collection of tax from any person under this section shall be subject to the restriction specified in clause (2) of Article 276 of the Constitution.][1]

1. Inserted by Act 8 of 1981 w.e.f. 4.4.1981

[1][Provided further that, no tax shall be payable by a person in respect of any year if the period during which he exercises such profession or calling or is engaged in the trade or holds the appointment or is employed does not exceed one hundred and twenty days in that year.][1]

1. Inserted by Act 26 of 1982 w.e.f. 27.7.1982.

[1]**[3A.** x x x][1]

1. Omitted by Act 3 of 1998 w.e.f. 1.4.1998.

4. Employer's liability to deduct and pay tax on behalf of employees.- The tax payable under this Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such persons:

Provided that, if the employer is an officer of Government, the State Government may, notwithstanding anything contained in this Act, prescribe by rules the manner in which such employer shall discharge the said liability.

5. Registration and enrolment.- (1) Every employer (not being an officer of Government) liable to pay tax under section 4 shall obtain a certificate of registration from the assessing authority in the prescribed manner.

[1][Provided that the Commissioner may notify the website in which an application for registration shall be made electronically in the manner specified in the said notification.][1]

1. Inserted by Act 15 of 2011 w.e.f. 01.04.2011.

(2) Every person liable to pay tax under this Act (other than a person earning salary or wages, in respect of whom the tax is payable by his employer), shall obtain a certificate of enrolment from the assessing authority in the prescribed manner.

[1][Provided that the Commissioner may notify the website in which an application for enrolment shall be made electronically in the manner specified in the said notification.][1]

1. Inserted by Act 15 of 2011 w.e.f. 01.04.2011.

(3) Every employer or person required to obtain a certificate of registration or enrolment shall, within ninety days from the date of commencement of this Act or, if he was not engaged in any profession, trade, calling or employment on the date, within thirty days from the date of commencement of his profession, trade, calling or employment, or in respect of a person referred to in sub-section (2) within thirty days of his becoming liable to pay tax at a rate higher or lower than the one mentioned in his certificate of enrolment, apply for a certificate of registration or enrolment, or revised certificate of enrolment, as the case may be, to the assessing authority in the prescribed form, and the assessing authority shall, after such inquiry as it may deem fit [2][within three days of the receipt of the application][2] (which period in the first year from the commencement of this Act shall be extended to ninety days), if the application is in order, grant him such certificate.

[1][Provided that where after the issue of the enrolment certificate the tax payable under this Act is revised the person liable to pay tax under this Act shall, notwithstanding that the enrolment certificate is not revised pay tax at such revised rates from the date of such revision.][1]

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.
2. Substituted by Act 05 of 2016 w.e.f. 01.04.2016.

(4) The assessing authority shall mention in every certificate of enrolment, the amount of tax payable by the holder according to the Schedule and the date by which it shall be paid, and such certificate shall serve as a notice of demand for purposes of section 12.

[1][(5) Where an employer or a person liable for registration or enrolment has failed to apply for such registration or enrolment within the time specified, the assessing authority shall, after giving him a reasonable opportunity of being heard, impose a penalty of one thousand rupees in the case of an employer and five hundred rupees in the case of any other person.;][1]

1. Inserted by Act 7 of 2009 w.e.f. 1.4.2009.

[1][(5) x x x][1]

1. Omitted by Act 18of 1994 w.e.f. 1.4.1994.

(6) Where an employer or a person liable to registration or enrolment has deliberately given false information in any application submitted under this section, the assessing authority may, after giving him a reasonable opportunity of being heard, impose a penalty not exceeding rupees one thousand.

[1]**[6. Return.-** (1) Notwithstanding anything contained in section 6A, every employer registered under this Act, shall furnish to the assessing authority within sixty days of the expiry of the year, a return in the prescribed form showing therein the salaries and wages paid by him and the amount of tax deducted by him in respect thereof during the preceding year.

[2][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.][2]

(2) Before any employer submits any return under sub-section (1), he shall, in the prescribed manner, pay in advance the full amount of tax payable by him on the basis of such return as reduced by any tax already paid under section 6A and shall furnish along with the return satisfactory proof of the payment of such tax, and a return without such proof of payment shall not be deemed to have been filed. After the final assessment is made, the amount of tax so paid shall be deemed to have been paid towards the tax finally assessed.

[2][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]

1. Sections 6, and 6A substituted by Act 6 of 1995 w.e.f. 1.4.1995.
2. Inserted by Act 5 of 2010 w.e.f.1.4.2010.

6A. Payment of tax in advance.- (1) Every employer registered under this Act, shall furnish to the assessing authority within twenty days of the expiry of a month, a statement in the prescribed form, showing therein the salary and wages paid by him and the amount of tax deducted by him in respect thereof during the month immediately preceding that month.

[3][[1][xxx][1]][3]

[2][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.][2]

1. Inserted by Act 5 of 1996 w.e.f. 1.4.1996.
2. Inserted by Act 5 of 2010 w.e.f.1.4.2010.
3. Omitted by Act 18 of 2012 w.e.f. 1.4.2012

(2) Every such statement shall be accompanied by a treasury challan in proof of payment of the full amount of tax due according to the statement, and a statement without such proof of payment shall not be deemed to have been duly filed and the amount so payable shall for the purposes of section 11 and section 13 be deemed to be tax due under this Act from such employer.

[1][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.] [1]

1. Inserted by Act 5 of 2010 w.e.f.1.4.2010.

(3) If no such statement is submitted by any employer under sub-section (1) before the date specified therein or if the statement submitted by him appears to the assessing authority to be incorrect or incomplete, the assessing authority may assess the employer provisionally for that month [1][or for that quarter, as the case may be][1] to the best of his judgement, recording the reasons for such assessment and proceed to demand and collect the tax on the basis of such assessment:

1. Inserted by Act 5 of 1996 w.e.f. 1.4.1996

Provided that before taking action under sub-section [1][(3)][1] the employer shall be given an opportunity of being heard.][1]

1. Substituted by Act 5 of 1996 w.e.f. 1.4.1996

[1][(4) Where an employer has failed to furnish a statement in the prescribed form or failed to pay the tax due on any statement furnished as required under the Act, the assessing authority shall, after giving him a reasonable opportunity of being heard, impose a penalty of two hundred and fifty rupees.";][1]

1. Inserted by Act 7 of 2009 w.e.f. 1.4.2009.

7. Assessment of employer [1][or person][1].- [2][(1) Notwithstanding anything contained in sub-section (2) as it existed prior to commencement of the Karnataka Taxation Laws(Amendment) Act, 2009, every employer shall be deemed to have been assessed to tax based on the return filed by him under section 6 for any year commencing from the first day of April, 2008, except in cases where the Commissioner may notify the employer of any requirement of production of accounts before the assessing authority in support of a return filed for any year and such authority shall proceed to assess such dealer,-

(a) on the basis of the return filed where he is satisfied that the return filed is correct and complete, or

(b) to the best of its judgment, where the return filed appears to be incorrect or incomplete, after giving the employer an opportunity of showing cause against such assessment in writing." ;

(2) Notwithstanding anything contained in this section as it existed prior to commencement of the Karnataka Taxation Laws (Amendment) Act, 2009, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of employers for any year shall be deemed to have been made on the basis of the return submitted under sub-section (1) without requiring the presence of the employer or production of accounts and other documents by the employer." ;][2]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.
2. Substituted by Act 7 of 2009 w.e.f. 1.4.2009.

[1][(3) If an employer has failed to get himself registered or being registered, has failed to file any return or a person has failed to get himself enrolled under section 5, the assessing authority shall, after giving the employer or the person as the case may be a reasonable opportunity of making representation and after holding such enquiry as it deems fit, or otherwise, pass an order assessing the amount of tax due to the best of its judgement.][1]

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.

[1][(3A) When making an assessment under sub-section (3) the assessing authority may also direct the employer or the person, as the case may be to pay in addition to the tax assessed a penalty equal to the amount of tax assessed under sub-section (3).][1]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

(4) The amount of tax so assessed [1][or the amount of penalty so levied][1] shall be paid within fifteen days of receipt of the notice of demand from the assessing authority.

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

(5) If within one month from the service of a notice of demand under sub-section (4) the [1][employer or person][1] satisfies the assessing authority that he was prevented by sufficient cause from getting himself registered or, from filing the return under section 6 [2][or from getting himself enrolled under section 5][2], as the case may be, the assessing authority shall cancel the assessment made under sub-section (3) and proceed to make a fresh

assessment in accordance with the provisions of this section as the circumstances of the case may warrant.

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1994.
2. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

[2][1][**7A.** xxx][1][2]

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004
2. Omitted by Act 18 of 2012 w.e.f. 1.4.2012.

8. Rectification of mistakes.- (1) With a view to rectify any mistake apparent from the record, any authority under this Act, may, at any time within a period of four years from the date of an order passed by it, amend such order :

Provided that an amendment which has the effect of enhancing an assessment or otherwise increasing the liability of the employer or person, as the case may be, shall not be made unless the authority concerned has given notice to the employer or the person of its intention to do so and has given the employer or the person an opportunity of making representation.

(2) An order passed under sub-section (1), shall be deemed to be an order passed under the same provision of law under which the original order, the mistake in which was rectified had been passed.

9. Assessment of escaped tax.- (1) If for any reason any tax payable under this Act has escaped assessment or has been assessed at a rate lower than the rate at which it is assessable the assessing authority may at any time within four years from the end of the year to which the tax relates, proceed to assess or reassess the tax, as the case may be, to the best of its judgement after issuing a notice to the employer or the person concerned and after making such enquiry as it considers necessary:

Provided that the tax shall be charged at the rate at which it would have been charged if such tax had not escaped assessment or, as the case may be, had not been assessed at a rate lower than the rate at which it was assessable.

(2) In making an assessment under sub-section (1), the assessing authority, if it is satisfied that the escape from assessment was due to wilful non-disclosure of information or attempt at evading the tax by the employer or the person direct such employer or the person to pay, in addition to the tax assessed under sub-section (1), a penalty not exceeding one and half times the tax so assessed :

Provided that no penalty under this sub-section shall be imposed unless the employer or the person affected has had a reasonable opportunity of showing cause against such imposition.

10. Payment of Tax [1][and filing of return][1] by enrolled persons [2][and deduction of tax in the case of certain enrolled persons][2].- [3][(1) Every enrolled person shall pay the tax payable by him under this Act and file his return before the assessing authority, in such manner and such form as may be prescribed.][3]

[4][Provided that a person liable to be enrolled shall be deemed to have enrolled for the purpose of payment of tax under this Act, notwithstanding that he has failed to do so.][4]

[5][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.] [5]

1. Inserted by Act 5 of 2007 w.e.f. 1.4.2007.
2. Inserted by Act 5 of 2006 w.e.f. 1.4.2006.
3. Substituted by Act 5 of 2007 w.e.f. 1.4.2007.
4. Inserted by Act 11 of 2005 w.e.f. 1.4.2005.
5. Inserted by Act 5 of 2010 w.e.f.1.4.2010.

(2) The amount of tax due from enrolled persons for each year as specified in their enrolment certificates shall be paid,-

[1][(a)	in respect of a person who stands enrolled before the commencement of a year;	Before 30th April of that year.
(b)	in respect of a person who is enrolled after the commencement of a year.	Within one month from the date of enrolment.][1]

1. Substituted by Act 13 of 1986 w.e.f. 2.5.1986.

[1][(3) Notwithstanding anything contained in sub-sections (1) and (2),

(a) the tax payable under this Act by any agent or any other person by whatever name called earning income by way of commission or other remuneration as specified in item 4 of the Schedule, shall be deducted by the insurance company or bank or other financial institution before such commission or other remuneration is paid to him, and such insurance company or bank or other financial institution shall, irrespective of whether such deduction has been made or not when the commission or other remuneration is paid to such person shall be liable to pay tax on behalf of all such persons;

(b) where any salary or wage earner as specified in item 1 of the Schedule is working for any person registered or enrolled under this Act not as his employee but as a part of man power service by whatever name called being provided to him by any other person, the tax payable under this Act by such salary or wage earner shall be deducted by the person registered or enrolled under this Act before any amount is paid to such person providing service to him, and such person shall, irrespective of whether such deduction has been made or not when the amount is paid to such service provider shall be liable to pay tax on behalf of all such salary or wage earners;

(c) where any person registered or enrolled under this Act has taken on rent or hire or on similar terms any transport vehicle (other than auto rickshaws)for more than a month in a year, the tax payable by the owner of such transport vehicle shall be deducted by such person registered or enrolled under this Act before any amount is paid as rent or by whatever name called to the owner, and such person shall, irrespective of whether such deduction has been made or not when the rent or other amount is paid to such owner shall be liable to pay tax on behalf of all such owners ;

(d) the tax payable under this Act by any licensed race horse owner, trainer, jockey or book maker as specified in item 11 of the Schedule shall be deducted by the turf club or race club which has given him the licence before any amount is paid to such person for whatever reason, and such turf or race club shall, irrespective of whether such deduction has been made or not when any amount is paid to such person shall be liable to pay tax on behalf of all such persons; and

(e) the tax payable by any medical practitioner as specified in item 6 of the Schedule, shall be deducted by the person owning or running the nursing home, hospital, pathological testing laboratory or the X-ray clinic in which such medical practitioner carries on his profession other than as a salaried person, before any amount is paid to such medical practitioner, and such person shall, irrespective of whether such deduction has been made or not when any amount is paid to such medical practitioner shall be liable to pay tax on behalf of all such medical practitioners.

Provided that no deduction shall be made for any year under this sub-section from any enrolled person or person liable to be enrolled who produces copy of the return filed by him for that year.

(4) (a)The deduction under clause (a) of sub-section (3) shall be made in the month in which the commission or other remuneration payable for any year exceeds thirty six thousand rupees.

(b) The deduction under clause (b) of sub-section (3) shall be made every month in which the amount payable to a person exceeds three thousand rupees.

(c) The deduction under clauses (c) to (e) of sub-section (3) shall be made in the month in which any amount is paid for the first time in that year to the said persons.

(5) The person making deduction under sub-section (3) shall send every month to the jurisdictional assessing authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deduction was made and the amount so payable shall for the purposes of Section 13 be deem to be an amount due under this Act.

[1][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.][1]

1. Inserted by Act 5 of 2010 w.e.f. 1.4.2010.

(6) If default is committed in the payment of tax deducted beyond ten days after the period specified under sub-section (5), such person shall be liable to pay interest at 2% of the amount of tax due for each month or part thereof for a period for which the tax remains unpaid.

(7) The person making deduction under sub-section (3), shall furnish to the enrolled person or person liable to be enrolled from whom such deduction is made, a certificate obtained from the jurisdictional assessing authority containing such particulars as may be prescribed.

(8) Payment by way of deduction in accordance with sub-section (5), shall be without prejudice to any mode of recovery of tax due under this Act from the enrolled person or person liable to be enrolled and the burden of proving that the tax payable by him has already been deducted and remitted under sub-section (5) shall be on such person.][1]

1. Sub-sections (3) to (8) substituted by Act 5 of 2007 w.e.f. 1.4.2007.

11. Consequences of failure to deduct or to pay tax.- (1) If an employer (not being an officer of Government) does not deduct the tax at the time of payment of salary or wage or after deducting fails to pay the tax as required by or under this Act, he shall without prejudice to any other consequences and liabilities which he may incur, be deemed to be an assessee in default in respect of the tax.

(2) Without prejudice to the provisions of sub-section (1) if an employer referred to in sub-section (1) does not deduct the tax at the time of payment of the salary or wage, or after deducting fails to pay the tax as required by or under this Act, he shall be liable to pay simple interest at [1][one and aquarter per cent][1] of the amount of the tax due for each month or part thereof for the period for which the tax remains unpaid.

1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005

(3) If an enrolled person [1][or a person liable to be enrolled][1] fails to pay the tax as required by or under this Act, he shall be liable to pay simple interest at the rate and in the manner laid down in sub-section (2).

1. Inserted by Act 11 of 2005 w.e.f. 1.4.2005

[1][(4) Notwithstanding anything contained in sub-sections (2) and (3),-

(i) the balance of interest payable upto 31st March 1987 in respect of tax paid belatedly shall not be collected;

(ii) any interest that has become payable in respect of tax due as on 31st March 1987 shall not be collected provided such tax is paid in full on or before 30th June, 1989.][1]

1. Inserted by Act 15of 1989 w.e.f. 1.4.1989.

12. Penalty for non-payment of tax.- If an enrolled person or a registered employer fails, without reasonable cause, to make payment of any amount of tax within the required time or date as specified in the notice of demand the assessing authority may, after giving him a reasonable opportunity of making representation, impose upon him a penalty not exceeding fifty per cent of the amount of tax due. This penalty shall be in addition to the interest payable under sub-section (2) or (3) of section 11.

[1]**[13. Recovery of tax and other amounts and period of limitation for recovery of tax:** (1)Any tax due or assessed, or any other amount due under this Act from an employer or any other person may, without prejudice to any other mode of collection, be recovered,-

(a) as if it were an arrears of land revenue; or

(b) by attachment and sale or by sale without attachment of any property of such employer or any other person by the prescribed authority or the prescribed officer in the prescribed manner, and

any prescribed certificate issued towards such sale shall be deemed to be a decree of a Civil Court and shall be executed in the same manner as a decree of such Court; or

(c) on application to any Magistrate, by such Magistrate as if it were a fine imposed by him.

(2) Notwithstanding anything contained in any law for the time being in force, no proceedings for the recovery of any amount under this Act shall be initiated after the expiry of five years from the end of the relevant year or from the date of the relevant assessment:

Provided that when an appeal or application for revision has been filed, the period of limitation shall run from the date on which the amount due is finally determined.

(3) The period of limitation specified under sub-section (2) shall not apply to any case in which, during the course of recovery proceedings initiated under any clause of sub-section (1) or under section 20, any other fresh proceedings are initiated or the employer has deducted any amount by way of tax or purporting to be by way of tax.][1]

1. Substituted by Act 5 of 2006 w.e.f. 1.4.2006.

14. Authorities for implementation of the Act.- (1) For carrying out the purposes of this Act, the State Government may appoint,-

(i) an officer to be the Commissioner of Profession Tax for the whole of the State of Karnataka;

(ii) one or more officers to be the [1][Additional Commissioners][1] of Profession Tax as the State Government may think necessary;

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

(iii) such number of [1][Joint Commissioners][1] of Profession Tax, [2][Deputy Commissioners of Profession Tax][2] [1][Assistant Commissioners of Profession Tax][1] [1][Profession Tax Officers,][1] and other [3][officers, Deputy Commissioners of Professions Tax and][3] persons (with such designations) as the State Government may think necessary.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
2. Inserted by Act 29 of 1985 w.e.f. 1.8.1985 and substituted by Act 5 of 1993 w.e.f. 9.11.1992
3. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

(2) (i) All officers and persons employed in the execution of this Act shall be subject to the general supervision and control of the State Government and the Commissioner.

(ii) The [1][Joint Commissioners][1] shall perform their functions and exercise their powers conferred on them by or under this Act in such areas as the State Government may direct;

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

(iii) The [1][Profession Tax][1] [2][Officers, the Assistant Commissioners of Profession Tax and Deputy][2] [1][Commissioners of Profession tax][1] all perform such functions and exercise such powers and within such areas as the Commissioner may direct.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.
2. Substituted by Act 26 of 2004 w.e.f. 1.8.2004.

(3) All officers appointed under this Act shall be subordinate to the Commissioner.

[1]**[14A. Instruction to subordinate authorities.-** (1) The State Government and the Commissioner may, from time to time, issue such orders, instructions and directions to all officers and persons employed in the execution of this Act as they may deem fit for the administration of this Act, and all such officers and persons shall observe and follow such orders, instructions and directions of the State Government and the Commissioner.

Provided that no such orders, instructions or directions shall be issued so as to interfere with the discretion of any Appellate Authority in the exercise of its appellate functions.

(2) Without prejudice to the generality of the foregoing power, the Commissioner may, on his own motion, or on an application by a person who has obtained a certificate of enrolment or an employer who has obtained a certificate of registration under this Act, if he considers it necessary or expedient so to do, for the purpose of maintaining uniformity in the work of assessments and collection of revenue, clarify the rate of tax payable under this Act and all officers and persons employed in the execution of this Act shall observe and follow such clarification:

Provided that no such application shall be entertained unless it is accompanied by proof of payment of such fee, paid in such manner, as may be prescribed.

(3) Any officer and person employed in the execution of this Act, shall observe and follow such administrative instructions as may be issued to him for his guidance by the Joint Commissioner within whose jurisdiction he performs his functions.][1]

1. Inserted by Act 5of 1996 w.e.f. 1.4.1996.

15. Appointment of collecting agents.- (1) For carrying out the purposes of this Act, the State Government may, at its discretion, appoint any Government Department or officer, or a municipal corporation, municipality or taluk board (hereinafter called 'collecting agent') as its agent

responsible for collection of the tax under this Act from such persons or class of persons as may be prescribed; and thereupon, it shall be the duty of such collecting agent, to carry out in such manner as may be prescribed, such functions under this Act as may be prescribed and to render full and complete account of the tax levied and collected to the Commissioner in such manner and at such time as that officer may require.

(2) Any officer authorised by the collecting agent in this behalf shall have for the purposes of levy and collection of the tax all the powers of the assessing authority and such other powers as may be prescribed.

(3) A municipal corporation, municipal council or taluk board appointed as agent to carry out the purposes of this Act under sub-section (1) shall be paid such collection charges as may be prescribed by the State Government after consultation with the local authority concerned.

(4) It shall be lawful for the Commissioner or an officer duly authorised by him, to have access to and to require production and examination of books, registers, accounts or documents maintained or required to be maintained by the collecting agent for the purposes of this Act and the collecting agent shall, whenever called upon to do so produce such books, registers, accounts or documents for inspection by the Commissioner or by the authorised officer.

16. Appeals.- (1) Any employer, not being an officer of Government or any person aggrieved by an order of an assessing authority may appeal to the [1][Joint Commissioner][1] of the area concerned:

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

[2][XXX][2]

2. Omitted by Act 27 of 2013 w.e.f. 1.04.2013.

(2) The appeal shall be preferred within sixty days of receipt of the demand notice or the order against which the appeal is intended:

Provided that the appellate authority may for sufficient cause shown admit an appeal preferred after the period of sixty days aforesaid.

(3) No appeal shall be entertained unless the amount of tax or penalty, or interest not disputed in the appeal has been paid in full.

(4) The appeal shall be in the prescribed form and shall be verified in the prescribed manner.

(5) In disposing of an appeal, the appellate authority may, after giving the appellant a reasonable opportunity of being heard,-

(a) in the case of an order of assessment or penalty,-

(i) confirm, reduce, enhance or annul the assessment or penalty or both;

(ii) set aside the assessment and direct the assessing authority to make a fresh assessment after such further enquiry as may be directed; or

(iii) pass such other orders as it may think fit;

(b) in the case of any other order, confirm, cancel or vary such order.

(6) Every order passed on appeal under this section shall subject to the provisions of sections [1][8, 17, 18 and 18A][1], be final.

1. Substituted by Act 1 of 1985 w.e.f. 9.1.1985.

17. Appeal to the Appellate Tribunal.- (1) Any employer or any person objecting to an order passed by the [1][Joint Commissioner][1] under section 16 may appeal to the Tribunal within sixty days from the date on which the order was communicated to him.

1. Substituted by Act 5 of 1993 w.e.f. 9.11.1992.

(2) The provisions of the Karnataka Appellate Tribunal Act, 1976 (Karnataka Act 10 of 1976) shall be applicable to all appeals preferred to the Tribunal under sub-section (1).

18. Revision by Commissioner [1][Additional Commissioner, Joint Commissioner and Deputy Commissioner][1].- [2][(1) The Deputy Commissioner may, on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any officer who is not above the rank of Profession Tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.
2. Sub-sections (1) to (6) substituted by Act 11 of 1993 w.e.f. 1.4.1993.

(2) The Joint Commissioner may, on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any assessing authority subordinate to him is erroneous in so far as it is prejudicial to the interest of revenue he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

(3) The Additional Commissioner may on his own motion call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by any officer who is not above the rank of a Joint Commissioner is erroneous in so far as it is prejudicial to the interests of revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being, heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

(4) The Commissioner may on his own motion call for and examine the record of any proceeding under this Act and if he considers that any order passed therein by any officer subordinate to him is erroneous in so far as it is prejudicial to the interests of revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary pass such orders thereon as the circumstances of the case justify including an order enhancing or modifying the assessment or cancelling the assessment or directing a fresh assessment.

(5) The power under sub-sections (1), (2), (3) and (4) shall be exercisable only within a period of four years from the date of the order sought to be revised was passed.

Explanation.- In computing the period of limitation for the purpose of this sub-section, any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

(6) Any order passed,-

(i) by the Commissioner under sub-section (4) shall subject to sections 8 and 18-A, be final;

(ii) by the Additional Commissioner under sub-section (3) shall, subject to section 8, sub-section (4) of this section and section 18-A, be final;

(iii) by the Joint Commissioner under sub-section (2) shall, subject to section 8, section 17, sub-sections (3) and (4) of this section and section 18-A, be final; and

(iv) by the Deputy Commissioner under sub-section (1) shall, subject to section 8, section 17, sub-sections (3) and (4) of this section and section 18-A, be final.][2]

[1][(7)][1] Any employer, not being an officer of Government or any person objecting to an order passed under [2][sub-sections (3) and (4)][2] may appeal

to the High Court within sixty days from the date on which the order was communicated to him:

1. Renumbered by Act 11 of 1993 w.e.f. 1.4.1993.
2. Substituted by Act 11 of 1993 w.e.f. 1.4.1993

Provided that the High Court may admit an appeal preferred after the period of sixty days aforesaid, if it is satisfied that the assessee had sufficient cause for not preferring the appeal within time.

[1][(8)][1] The appeal shall be in the prescribed form, shall be varified in the prescribed manner and shall be accompained by a fee of one hundred rupees.

1. Renumbered by Act 11 of 1993 w.e.f. 1.4.1993.

[1][(9)][1] The High Court shall, after giving both parties to the appeal a reasonable opportunity of being heard pass such order thereon as it thinks fit.

1. Renumbered by Act 11 of 1993 w.e.f. 1.4.1993.

[1]**[18A. Revision by High Court in certain cases.-** (1) Within [2][one hundred and eighty days][2] from the date on which an order under section 17 of the Act was communicated to him, the appellant or the respondent may prefer a petition to the High Court against the order on the ground that the Appellate Tribunal has either failed to decide or decided erroneously any question of law:

Provided that the High Court may admit the petition preferred after the period of [2][one hundred and eighty days][2] aforesaid, if it is satisfied that the petitioner has sufficient cause for not preferring the petition within that period..

(2) The petition shall be in the prescribed form and shall, when it is preferred by any person other than the State Government, be accompained by a fee of fifty rupees.

(3) If the High Court, on pursuing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily;

Provided that no petition shall be dismissed unless the petitioner has had a reasonable opportunity of being heard in support thereof.

(4) (a) If the High Court does not dismiss the petition summarily, it shall, after giving both the parties to the petition a reasonable opportunity of being heard, determine the question or questions of law raised and either reverse, affirm or amend the order against which the petition was preferred or remit the matter to the Appellate Tribunal with the opinion of the High Court on the question or questions of law raised or pass such other order in relation to the matter as the High Court thinks fit.

(b) Where the High Court remits the matter to the Appellate Tribunal under clause (a) with its opinion on the questions of law raised, the latter shall amend the order passed by it, in conformity with such opinion.

(5) Before passing an order under sub-section (4), the High Court may, if it considers necessary so to do, remit the petition to the Appellate Tribunal and direct it to return the petition with its finding on any specific question or issue.

(6) Notwithstanding that a petition has been preferred under sub-section (1), the tax shall be paid in accordance with the assessment made in the case:

Provided that if as a result of the petition, any change becomes necessary in such assessment, the High Court may authorise the assessing authority to amend the assessment and the assessing authority shall amend the assessment accordingly and thereupon the amount paid in excess by the assessee shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with the provisions of the Act, as the case may be.

(7) (a) The High Court may, on the application of either party to the petition, review any order passed by it under sub-section (4) on the basis of facts which were not before it when it passed the order.

(b) The application for review shall be preferred within ninety days from the date of communication of the order sought to be reviewed and shall be in such form and such manner as may be prescribed, and shall, where it is preferred by any person other than the State Government shall be accompained by a fee of fifty rupees.

(8) With a view to rectifying any mistake apparent from the record, the High Court may, at any time within five years from the date of the order passed by it, amend such order:

Provided that no order under this sub-section shall be made without giving the parties affected a reasonable opportunity of being heard.

(9) In respect of every petition preferred under this section, the costs shall lie in the discretion of the High Court.][1]

1. Inserted by Act 1 of 1985 w.e.f. 9.1.1985.
2. Substituted by Act 18 of 2012 w.e.f. 1.4.2012.

19. Accounts.- (1) If the assessing authority is satisfied that the books of account and other documents maintained by an employer in the normal course of his business are not adequate for verification of the returns filed by the employer under this Act, it shall be lawful for it to direct the employer to maintain the books of account or other documents in such manner as it may in writing direct and thereupon the employer shall within

the time specified therein maintain such books of account or other documents accordingly.

[1][(1A) The books of account and other documents maintained by an employer under sub-section (1), shall be preserved for a period of five years from the close of the year to which they relate.][1]

1. Inserted by Act 5 of 1992 w.e.f. 1.4.1992.

(2) Where an employer wilfully fails to maintain the books of accounts or other documents as directed under sub-section (1) [1][or to preserve the books of account and other documents as specified under sub-section (1A)][1], the assessing authority may, after giving him an opportunity to make representation, impose a penalty not exceeding rupees five for each day of delay.

1. Inserted by Act 5 of 1992 w.e.f. 1.4.1992.

20. Special mode of recovery.- (1) Notwithstanding anything in any law or contract to the contrary, the assessing authority may, at any time or from time to time, by notice in writing, a copy of which shall be forwarded to the assessee at his last address known to the assessing authority require,-

(a) any person from whom any amount or money is due, or may become due to such assessee on whom a notice of demand has been served under this Act, or

(b) any person who holds or may subsequently hold money for or on account of such assessee,

to pay the assessing authority either forthwith upon the money becoming due or being held or at or within the time specified in the notice (but not before the money becomes due or is held as aforesaid) so much of money as is sufficient to pay the amount due by the assessee in respect of the arrears of tax, penalty or interest under this Act, or the whole of the money when it is equal to or less than that amount.

Explanation.- For the purpose of this section the amount of money due to an assessee from, or money held for or on account of an assessee by, any person shall be calculated after deducting therefrom such claims (if any) lawfully subsisting or as may have fallen due for payment by such assessee to such person.

(2) The assessing authority may at any time or from time to time amend or revoke any such notice or extend the time for making any payment in pursuance of the notice.

(3) Any person making any payment in compliance with a notice under this section shall be deemed to have made the payment under the authority of the assessee, and the receipt of the assessing authority shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount refereed to in the receipt.

(4) Any person discharging any liability to the assessee after receipt of the notice referred to in this section, shall be personally liable to the assessing authority to the extent of the liability discharged or the extent of the liability of the assessee for tax, penalty or interest, whichever is less.

(5) Where a person to whom a notice under this section is sent proves to the satisfaction of the assessing authority that the sum demanded or any part thereof is not due to the assessee or that he does not hold any money for or on account of the assessee, then, nothing contained in this section shall be deemed to require such person to pay any such sum or part thereof, to the assessing authority.

(6) Any amount of money which a person is required to pay the assessing authority or for which he is personally liable to the assessing authority under this section, shall, if it remains unpaid, be recoverable as an arrear of land revenue.

21. Production and inspection of accounts and documents and search of premises.- Any authority [1][or any officer authorised by the Commissioner either generally or specifically][1] under this Act may inspect and search any premises, where any profession, trade, calling or employment liable to taxation under this Act is carried on or is suspected to be carried on and may require production and examination of books, registers, accounts or documents relating thereto and may seize such books, registers, accounts or documents as may be necessary:

Provided that, if the said authority removes from the said premises any book, register, account or document, it shall give to the person in charge of the place, a receipt describing the book, register, account or document so removed by it and retain the same only for so long as may be necessary for the purposes of examination thereof or for a prosecution.

1. Inserted by Act 7 of 2009 w.e.f. 1.4.2009.

22. Refunds.- Any person who has paid any tax or penalty or interest or fee in excess of the amount due under this Act may apply to the assessing authority for a refund or adjustment of such amount towards future tax and the amount paid in excess shall be refunded or adjusted accordingly.

23. Offences and penalties.- Any person or employer who, without sufficient cause, fails to comply with any of the provisions of this Act, or the rules framed thereunder shall, on conviction, be punished with fine which may extend to five thousand rupees and when the offence is a continuing one, with fine which may extend to fifty rupees per day of such continuance.

24. Offences by companies.- (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of and was responsible for the company for the conduct of the business of the company as well as the company, shall

be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.- For the purposes of this section,-

(a) 'company' means any body corporate and includes a firm or other association of individuals; and

(b) 'director' in relation to a firm, means a partner in the firm.

25. Power to transfer proceedings.- The Commissioner may, by order in writing transfer any proceedings or class of proceedings under any provision of this Act from any officer to any other officer not lower in status than the former.

Explanation.- In this section, the word " proceedings" in relation to any assessee whose name is specified in any order issued thereunder, means all proceedings under this Act in respect of any year, which may be pending on the date of such order or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order in respect of any year in relation to such assessee.

26. Compounding of offences.- (1) Subject to such conditions as may be prescribed, the assessing authority [1][or the officer authorised under section 21][1] may, either before or after the institution of prosecution, permit any person charged with the offence to compound the offence on payment of such sum, not exceeding double the amount of tax to which the offence relates, as the assessing authority may determine.

1. Inserted by Act 7 of 2009 w.e.f. 1.4.2009.

(2) On payment of such sum, as may be determined by the assessing authority under sub-section (1), no further proceedings shall be taken against the person in respect of the same offence.

27. Powers to enforce attendance, etc.- All authorities under this Act shall, for the purposes of this Act, have the same powers as are vested in a

court under the Code of Civil Procedure, 1908 while trying a suit in respect of enforcing the attendance of, and examining any person on oath or affirmation or for compelling the production of any document.

28. Bar of suits etc.- (1) No suit shall lie in any civil court to set aside or modify any assessment made or order passed under this Act.

(2) No suit, prosecution, or other legal proceedings shall lie against any authority under this Act or against any employer for anything done or intended to be done in good faith under this Act or the rules framed thereunder.

[1]**[28A. Appearance before any authority in proceedings.-** Any person who is entitled to appear before any authority other than the High Court, in connection with any proceedings under this Act, may be represented before such authority,-

(a) by a legal practitioner; or

(b) by a Chartered Accountant; or

(c) by a Sales Tax Practitioner enrolled as such under the Karnataka Sales Tax Act 1957 (Karnataka Act 25 of 1957)][1]

1. Inserted by Act 1 of 1985 w.e.f. 9.1.1985.

29. Power to exempt.- [1][(1)][1] The State Government may, by notification, make an exemption or reduction in the rate of tax payable by any specified class of persons subject to such restrictions and conditions as may be specified in the notification.

1. Renumbered by Act 18 of 1994 w.e.f. 1.4.1994.

[1][(2) The State Government may, by notification, cancel or vary a notification issued under sub-section (1).

(3) Any notification issued under sub-section (1) shall be valid until it is cancelled under sub-section (2), notwithstanding that the tax payable in accordance with such notification in respect of any specified class of persons is modified by an amendment to this Act.][1]

1. Inserted by Act 18 of 1994 w.e.f. 1.4.1994.

30. Local authorities not to levy profession tax.- (1) Notwithstanding anything in any enactment governing the constitution or establishment of a local authority, no local authority shall, on or after the commencement of this Act levy any tax on profession, trades, callings or employments.

(2) The provisions in such enactment authorising the local authority to levy such tax shall stand repealed.

Explanation.- For purposes of this section, 'local authority' means a municipal corporation, a municipality or [1][a village panchayat][1] established by or under any law for the time being in force in the State.

1. Substituted by Act 26 of 1982 w.e.f. 27.7.1982.

31. Cesses not to be levied in certain cases.- Notwithstanding anything in any law for the time being in force no cess shall be levied on tax on professions, trades, callings and employments under any such law and provisions in such law authorising such levy and collection shall, on and from the date of commencement of this Act, stand repealed.

32. Grants to local authorities for loss of revenue.- Out of the proceeds of the tax and penalties and interest and fees recovered under this Act, there shall be paid annually to such local authorities as were levying immediately before the commencement of this Act a tax on professions, trades, callings and employments such amounts on the basis of the highest collections made by them in any year during the period of three years immediately preceding the commencement of this Act, as may be determined by the State Government in this behalf.

33. Power to make rules.- (1) The State Government may, by notification in the official Gazette and after previous publication make rules to carry out the purposes of this Act:

Provided that, if the State Government is satisfied that circumstances exist which render it necessary to take immediate action, it may dispense with previous publication of any rules to be made under this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for the fees payable in respect of any applications to be made, the forms to be supplied, the certificates to be granted and appeals and applications for revision to be made under this Act.

(3) Every rule made under this Act shall be laid as soon as may be after it is made, before each house of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session in which it is so laid or the sessions immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rules should not be made, and notify such decision in the official Gazette, the rule shall from the date of publication of such notification have effect only in such modified form or be or no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

34. Power to remove difficulties.- If any difficulty arises in giving effect to the provisions of this Act, the State Government, may by notification, make such provisions, not inconsistent with this Act, as appears to it to be necessary or expedient for removing the difficulty

[1][SCHEDULE

1. Schedule including the explanations substituted by Act 7 of 2003 w.e.f. 1.4.2003.

[See Section 3(2)]

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) [1][(X X X)][1] (b) [2] [(X X X)][2] (c) [2] [(X X X)][2] (d) not less than Rs.10,000 but less than Rs.15,000 (e) Rs.15,000 and above 1. Omitted by Act 6 of 2008 w.e.f. 1.8.2008. 2. Omiitted by Act 7 of 2009 w.e.f.1.4.2009.	 [1][(X X X)][1] [2][(X X X)][2] [2][(X X X)][2] Rs.150 per month Rs.200 per month
[1][2.	Legal practitioners including Solicitors and Notaries Public:- (a) in the Bangalore Urban Agglomeration where standing in the profession is- (i) less than 10 years (ii) 10 years or more but less than 20 years (iii) 20 years or more (b) in any other area in the State is- (i) less than 10 years (ii) 10 years or more but less than 20 years (iii) 20 years or more 1. Substituted Act by 11 of 2005 w.e.f. 1.4.2005	 Nil Rs.1500 per annum Rs.2500 per annum Nil Rs.1000 per annum Rs.1500 per annum][1]
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 (ii) 2 years or more but less than 5 years (iii) 5 years or more but less than 10 years (iv) 10 years or more (b) in any other area in the State is- (i) less than 2 years (ii) 2 years or more but less than 10 years	 Nil Rs.1000 per annum Rs.1500 per annum Rs.2500 per annum Nil

Sl. No.	Class of persons	Rate of tax
	(iii) 10 years or more	Rs.1000 per annum 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 [1][Rs.1,20,000][1]	Rs.1500 per annum
	(ii) Pigmy Agents or UTI Agents whose annual income is not less than [1][Rs. 1,20,000][1] **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. 1. Substituted by Act 53 of 2013 w.e.f. 01.08.2013	Rs. 1000 per annum
5	Chartered Accountants and Actuaries where the standing in the profession is,- (i) Less than 2 years (ii) Not less than 2 years but less than 5 years (iii) 5 years or more	Nil Rs.1000 per annum 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

Sl. No.	Class of persons	Rate of tax
	(ii) 2 years or more but less than 5 years (iii) 5 years or more	Rs.1000 per annum Rs.2500 per annum
	(b) in any other area in the State- (i) Less than 2 years (ii) 2 years or more but less than 5 years (iii) 5 years or more but less than 10 years (iv) 10 years or more	 Nil Rs.1000 per annum Rs.1500 per annum 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 (ii) 2 years or more but less than 5 years (iii) 5 years or more	 Nil Rs.1000 per annum Rs.2500 per annum
	(b) in any other area in the State- (i) Less than 2 years (ii) 2 years or more but less than 10 years (iii) 10 years or more	 Nil Rs.1000 per annum 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 (a) Income tax payees (b) Other than (a) above	 Rs.2500 per annum Rs.1500 per annum 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 (ii) more than Rs. 2 lakhs but less than	 Nil Rs.1000 per annum

Sl. No.	Class of persons	Rate of tax
	Rs.10 lakhs	
	(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 annum
	(ii) Jockeys licensed by the turf clubs / race clubs-	
	(a) in case of Apprentice Jockeys	Rs.1000 per annum
	(b) other than (a) above	Rs.2500 per annum
	(iii) Bookmakers licensed by turf clubs	Rs.2500 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

Sl. No.	Class of persons	Rate of tax
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
	(iii) Owners of video parlours	Rs.1000 per annum
20	[1][Owners of transport vehicles(other than auto rickshaws) run on their own or through others under permits granted][1] 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

1. Substituted by Act 5 of 2006 w.e.f. 1.4.2006

Sl. No.	Class of persons	Rate of tax
	Money lenders licensed under the Karnataka Money Lenders' Act, 1961	Rs.2500 per annum
21	Individuals or institutions conducting chit funds	Rs.2500 per annum
22	Cooperative Societies registered under the Karnataka Cooperative Societies Act and engaged in any profession, trade or calling.-	
23	(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 [1]**[Explanation**.- For the purpose of this entry, 'banking companies' shall include any bank whose operations are governed by the provisions of the Banking Regulation Act,1949 (Central Act 10 of 1949).][1] 1. Shall be deemed to have been inserted by Act 6 of 2008 w.e.f. 1.4.2003.	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	Rs.1500 per annum

Sl. No.	Class of persons	Rate of tax
	and less than 50 acres	Rs.2500 per annum
	(b) in extents of land exceeding 50 acres	
	Photo laboratories, film processing laboratories and photo studios.-	
28	(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.-	Rs.2500 per annum
	(i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town	Rs.1000 per annum
	(ii) in any other area in the State.	
30	Beauty parlours, dry cleaners and interior decorators-	Rs.1500 per annum
	(i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town	Rs.1000 per annum
	(ii) in any other area in the State.	Rs.2500 per annum
31	Film distributors	
32	(a) Travel agents not falling under sub-item (b) below.-	Rs.1500 per annum
	(i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town	Rs.1000 per annum
	(ii) in any other area in the State.	Rs.2500 per annum
	(b) Air travel agents	Rs.1000 per annum
	Journalists	Rs.2500 per annum

Sl. No.	Class of persons	Rate of tax
33	Advertising firms / agencies	Rs.1000 per annum
34	Persons using photocopying machines for job works	Rs.1000 per annum
35	Video cassette libraries	Rs.2500 per annum
36	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).	
37	Persons owning / running STD/ISD/FAX Booths other than those owned / run by Government or physically handicapped persons.-	
38	(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
	Persons owning Marriage Halls / Kalyana Mantaps.	Rs.2500 per annum

Sl. No.	Class of persons	Rate of tax
42	Owners of bars and restaurants within the limits of City Municipal Corporation.	Rs.2500 per annum
43	Licence Holders of distilleries, bottling units and vending of arrack (other than sub lessees)	Rs.2500 per annum
44	(a) Cinematograph film processors.	Rs.2500 per annum
	(b) Owners of outdoor film shooting units	Rs.2500 per annum
45	Transport contractors including forwarding and clearing agents	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	Bankers who are financing the trade against hundies or other securities by way of short term advance on interest.	Rs.1500 per annum
48	(a) Authorised Assistant recognized by Stock Exchange	Rs.1000 per annum
49	(b) Stock brokers, sub-brokers recognized by the Stock Exchange Board of India	Rs.2500 per annum

Sl. No.	Class of persons	Rate of tax
		Rs.1000 per annum
	Persons running weigh bridges	Rs.2500 per annum
	(a) Persons operating courier service	
50	(b) Agents of courier service.-	Rs.600 per annum
51	(i) in Bangalore Urban Agglomeration	Rs.300 per annum
	(ii) in any other area in the State.	
		Rs.2500 per annum
	Persons operating wireless services including pagers service.	
52		Rs.2500 per annum
	(a) Persons operating mobile telephone service	Rs.2500 per annum
53	(b) Persons providing internet service running internet cafes, information kiosks.	Rs.2500 per annum
	(c) Persons operating e-commerce business	
		Rs.2500 per annum
	Persons operating Air taxi and helicopter services	
54		Rs.2500 per annum
	(a) Persons running clubs including recreation clubs	Rs.2500 per annum
55	(b) Persons operating gymnasium	
		Rs.2500 per annum
	Persons organizing events, pageants, fashion shows and the like.	
56		
	Persons operating city-taxi services	Rs.1500 per annum
	(i) in the Bangalore Urban Agglomeration	Rs.1000 per annum
57	(ii) in any other area in the State	
		Rs.1000 per annum
	Persons providing bill boards	
58	Designers and landscaping consultants, Vaastu, Fengshui and other similar	
59	consultants	Rs.1500 per annum
	(i) in the Bangalore Urban Agglomeration	Rs.1000 per annum
	(ii) in any other area in the State	
		Rs.2500 per annum
	Persons engaged in placement services	
		Rs.2500 per annum

Sl. No.	Class of persons	Rate of tax
60	Persons running IT call centres	Rs.2500 per annum
61	Multi-system operators (TV signal providers)	
62	Yoga and Reiki Training Centres (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	Rs.1500 per annum Rs.1000 per annum
63	Persons trading in REP licences and Exim scrips	Rs.2500 per annum
64	[xxx][1] 1. Omitted by Act 5 of 2006 w.e.f. 1.4.2006	
65	Persons running security services	Rs.2500 per annum
66	Private radio broadcasters and operators	Rs.1500 per annum
67	Astrologers, Astropalmists, Numerologists and Faith healers	Rs. 1500 per annum
68	(i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	Rs. 1000 per annum
[1][69	Persons engaged in maintenance or running of vehicle including bicycle parking places or areas (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	Rs.2,500 per annum Rs.1,500 per annum
70.	Persons owning or running places providing massage, sauna and other health and beautyimprovement services, (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	Rs.2,500 per annum Rs.1,500 per annum
71.	Persons acting as brokers, commission agents and the like for purchase and sale of old or used motor vehicles, (i) in the Bangalore Urban Agglomeration	Rs.2,500 per annum Rs.1,500 per annum

Sl. No.	Class of persons	Rate of tax
	(ii) in any other area in the State	
72.	Persons acting as agents, consultants and the like for any company or firm engaged in any business, (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs.2,500 per annum Rs.1,500 per annum
73.	Persons other than those mentioned in any of the preceding entries who are engaged in any profession, trade, calling or employment and who are paying tax under the Income Tax Act, 1961 (Central Act 43 of 1961)	Rs. 2,500 per annum
74.	Persons other than those mentioned in any of the preceding entries who are engaged in professions, trades, callings or employments as the State Government from time to time by notification specify	Rs.1,000 per annum][1]

1. Substituted by Act 5 of 2007 w.e.f. 1.4.2007.

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, [1][64, 66, 69(i), 70(i), 71(i), 72(i) and 73][1] of the Schedule.

1. Substituted by Act 5 of 2007 w.e.f. 1.4.2007.

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][1].

KARNATAKA ACT NO 27 OF 2013

(First Published in the Karnataka Gazette Extra-ordinary on the Eighth day of March, 2013)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2013

(Received the assent of the Governor on the fifth day of March, 2013)

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 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, 2013.

(2) It shall come into force with effect from the First day of April, 2013.

(Section 16(1) Proviso is incorporated in the Principal Act)

2. Amendment of Karnataka Act 35 of 1976.- In the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in section 16, in sub-section (1), the proviso shall be omitted.

3. 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 (7), for the words “two lakh rupees”, the words “five lakh rupees” shall be substituted;

(2) in section 4, in sub-section (1), in clause (b), for the words “two lakhs rupees”, the words “five lakh rupees” shall be substituted.

KARNATAKA ACT NO 53 OF 2013

(First Published in the Karnataka Gazette Extra-ordinary on the Thirty First day of July, 2013)

THE KARNATAKA TAXATION LAWS (SECOND AMENDMENT) ACT, 2013

(Received the assent of the Governor on the Thirty First day of July, 2013)

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 Fourth year of the Republic of India, as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Taxation Laws (Second Amendment) Act, 2013.

(2) It shall come into force with effect from the First day of August, 2013.

Schedule is incorporated in the Principal Act

KARNATAKA ACT NO. 5 OF 2016

(First Published in the Karnataka Gazette Extra-ordinary on the thirty first day of March, 2016)

THE KARNATAKA TAXATION LAWS (AMENDMENT) ACT, 2016

(Received the assent of the Governor on the thirty first day of March, 2016)

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 seventh 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, 2016.

(2) It shall come into force with effect from First day of April 2016.

Section 5 is incorporated in the Principal Act