



GOVERNMENT OF KARNATAKA
(Commercial Taxes Department)

PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES,
(KARNATAKA), BANGALORE – CLARIFICATION UNDER SECTION 12 (7)
OF THE KARNATAKA TAX ON ENTRY OF GOODS ACT, 1979

Sub: KTEG Act, 1979 – clarification on applicability of
entry tax on Earthmoving Machineries.

Ref: Application dated 06-03-2012 of M/s Associated Company
of Engineers, New Mangalore – 575 010, TIN 29110099910.

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In the application cited above, M/s Associated Company of Engineers, Plot No.159A, Baikampady Industrial Area, New Mangalore – 575 010 has sought clarification regarding the applicability of entry tax on Earthmoving Machineries.


2. Section 12(7) of the Karnataka Tax on Entry of Goods Act, 1979 empowers the Commissioner of Commercial Taxes to clarify the rate of tax payable under the 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. It is examined and found that the clarification requested by the petitioner is within the scope of the aforesaid provision and it is necessary that the clarification be issued for the purpose of maintaining uniformity in the work of assessments and collection of revenue.

3. Hence, the following clarification is issued.

CLARIFICATION NO.KTEG/CR-32/2011-12, DATED 04-05-2012

It is clarified that as per Notification No.FD 4 CET 2006 dated 27-8-2006 entry tax payable under section 4-B(1) on motor vehicles including earthmovers which are adopted for use on road by dealers in motor vehicles registered under KVAT Act, 2003 and liable to pay tax under section 3 of the said Act is exempted.

The Hon'ble High Court of Karnataka in W.P.No.39540/2003 vide order dated 24-7-2009 has quashed section 4-B and 4-BB of KTEG Act, 1979 as unconstitutional. Hence, no entry tax can be levied on motor vehicles brought from outside the State.


(PRADEEP SINGH KHAROLA)
Commissioner of Commercial Taxes,
(Karnataka), Bangalore
Commissioner of Commercial Taxes
Karnataka, BANGALORE