

**THE KARNATAKA ENTERTAINMENTS TAX ACT, 1958****ARRANGEMENT OF SECTIONS**Statement of Objects and Reasons:

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#### STATEMENT OF OBJECTS AND REASONS

I

**Act 30 of 1958.-** At present, there are different laws for the levy and collection of entertainment tax in the integrated areas of the State. It is proposed to have a uniform law on the subject for the entire State.

2. In the Hyderabad, Madras and Mysore areas of the State, there is a cinema show tax in addition to entertainment tax. It has been considered desirable to have a uniform law on this subject applicable to the entire new State.

3. The draft Bill provides for the levy and collection of entertainments tax and for the payment of 90 per cent of the proceeds to the local authorities in whose jurisdiction the entertainments are held. It also provides for the collection of a cinema show tax at rates varying from Re.1 to Rs. 3 for each cinema show. The entire proceeds of the cinema show tax will be credited to Government.

(Obtained from Notification No. 1604 - L.A., dated 3.5.1958. Published in the Karnataka Gazette (Extraordinary) Part IV-2A as No. 98.)

## II

**Amending Act 14 of 1966.**—At present, tax is being levied on all entertainments except those which are specially exempted under section 7 of the Mysore Entertainments Tax Act, 1958. A surcharge on the entertainments tax is also levied under the Mysore Entertainments Tax (Surcharge) Act, 1962. In order to give encouragement to entertainments such as exhibitions, magic shows, dances, etc., it is proposed to abolish the levy of tax in such entertainments, and to levy entertainments tax only on horse races and cinematograph shows. It is also proposed to repeal the Mysore Entertainments Tax (Surcharge) Act, 1962 and to incorporate the provisions made therein with an increase of twenty-five per cent of the rate in the Mysore Entertainments Tax Act itself.

As regards the additional tax on cinematograph shows show levied under section 4 of the Act, it is proposed to levy a higher rate of tax per show. Further in the City of Bangalore, in the case of Class I Theatres, i. e., theatres in which the rate for admission to the highest class is not less than two and a half rupees, it is proposed to levy the tax at ten rupees per show. Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th March 1966, as No. 56, p. 11.)

## III

**Amending Act 31 of 1969.**—While considering methods by which delays in the disposal of cases can be reduced and the time of the courts can be saved in trying a large volume of petty cases, the Law Commission of India in their fourteenth Report recommended the adoption of the procedure laid down in section 130 of the Motor Vehicles Act, 1939. Section 130 of the Motor Vehicles Act, 1939 provides for the summary disposal of cases arising under that Act in respect of specific class of offences thereunder. In accordance with that section, the accused person can plead

guilty to the charge by registered letter and remit to the court as fine such sum as the court may specify. The Commission has recommended that this procedure may be extended to minor offences under other Acts.

After examining the suggestion of the Law Commission of India, it has been decided to make a provision in the Mysore Sales Tax Act, 1957 (Mysore Act 25 of 1957) and the Mysore Entertainments Tax Act, 1958 (Mysore Act 30 of 1958) similar to section 130 of the Motor Vehicles Act, 1939 to deal with the offences prescribed under section 29 (1) of the Mysore Sales Tax Act, 1957 and section 12 (1) (b) (ii) of the Mysore Entertainments Tax Act, 1958. Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 4–5th February 1969, as No. 8579, p. 80.)

#### IV

**Amending Act 14 of 1971.**—In order to raise additional resources to be utilised exclusively for the relief of Bangla Desh refugees, the Government of Mysore has proposed to levy an additional surcharge of ten per cent, raising the existing surcharge of fifty per cent to sixty per cent of the basic entertainments tax on every payment for admission to an entertainment. The present measure is being enacted to give effect to the said proposal.

2. The Committee constituted under the proviso to subsection (2) of Section 3 of the Mysore State Legislature (Delegation of Powers) Act, 1971 (23 of 1971), has been consulted before enactment of this measure as a President's Act.

(Obtained from Presidents Act 14 of 1971.)

#### V

**Amending Act 4 of 1973.**— President's Act 14 of 1971, 16 of 1971, 17 of 1971 and 18 of 1971 had been enacted to raise additional resources for the relief of Bangla Desh Refugees. They expire on 24th March 1973.

It is proposed that while the additional levies for the relief of Bangla Desh Refugees may cease, the levies may be retained till 31st March 1974 to raise additional resources to meet the cost of 'People's Housing Programme' to be undertaken by the State Government.

Hence this Bill.

(Obtained from L.A. Bill No.16 of 1973)

#### VI

**Amending Act 15 of 1974.**— It is proposed to raise the rates of “Surcharge” and “Show Tax” in order to augment the revenues of the State.

Hence this Bill.

(Obtained from L.A. Bill No.14 of 1974)

## VII

**Amending Act 36 of 1976.**—With a view to augment the revenues of the State, it is proposed to levy an Additional Tax on entertainments on the value of tickets (inclusive of Entertainment Tax and Surcharge).

It is further proposed, in order to effectively check evasion to increase the fines leviable under the Act and to provide for imprisonment as an alternative penalty.

It is also proposed for the same reason to amend the Karnataka Cinemas Regulation Act to enable revocation or suspension of the cinema licence even when offences under the Act are compounded.

Incidental amendments providing for rounding off the tax to the nearest multiple of five paise, refund of tax in case of power failure or mechanical breakdown etc., are also proposed to be made.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 30th March 1976, as No. 1744, p. 8.)

## VIII

**Amending Act 16 of 1977.**— At present, entertainment tax is levied on each payment for admission to an entertainment. In addition, surcharge and additional tax are levied on the same basis. An additional tax on cinematograph shows is also levied at prescribed rates per show. In view of the increasing number of complaints about the large scale evasion of entertainment tax especially by the proprietors of Cinema theatres in mofussil places, and in order to check such evasion, it is proposed to introduce a revised scheme of levy of entertainment tax in lumpsum on the basis of shows held in cinema theatres situated in places having less than 10,000 population. The proposed rate of tax per show is 12 per cent of the ‘Gross Collection Capacity’ (GCC), which is a notional sum representing the payments for admission to a show if all aggregate of all the seats in the cinema theatre are occupied.

Opportunity is also taken to make some minor amendments to overcome difficulties experienced in implementing the Act.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 1st April 1977, as No, 259, p. 6.)

### IX

**Amending Act 3 of 1979.**—Section 9 (3) (b) of the Karnataka Entertainments Tax Act, 1958 prescribes that arrears of sums due under the Act may be recovered *inter alia*, by a Magistrate on application to him, as if they were a fine imposed by him.

In the case reported in 28 STC at page 492, the High Court of Karnataka has held that the Magistrate is incompetent to recover sums which are in excess of his pecuniary jurisdiction specified in the Code of Criminal Procedure.

To overcome the effect of the said decision of the High Court it is considered necessary to amend Section 9 (3) (b) to make it clear that a Magistrate can recover any amount of tax or amount due, notwithstanding anything contained in the Code of Criminal Procedure.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 9th August 1978, as No. 1127. p. 3.

### X

**Amending Act 21 of 1979.**— In order to augment the revenues of the State it is proposed to second taxation and other laws. Opportunity is taken to make some other amendments also.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 27-3-1979 as No. 259).

### XI

**Amending Act 25 of 1979.**—In order to augment the revenues of the State, the Karnataka Taxation and Certain Other Laws (Amendment) Act, 1979, has been brought into force.

According to the said Act, the tax has been increased by hundred per cent on Films which are granted 'A' certificate. Several representations have been received

to reduce the same. Government propose to retain the power to make a reduction in the tax payable on 'A' Certificate Films.

It is also proposed to amend section 7 of the Karnataka Entertainments Tax Act, 1958, so as to provide exemption for Children's Film as it is an 'International Children's Year'.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 19th April 1979, as No. 355, p. 5.)

## XII

**Amending Act 14 of 1980.**—To augment the revenue of the State and to further rationalise the taxation structure, it is proposed to make certain amendments to the Karnataka Entertainments Tax Act, 1958, the Karnataka Forest Act, 1963 and the Karnataka Sales Tax Act, 1957. Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 14th March 1980, as No. 192, p. 5.)

## XIII

**Amending Act 26 of 1980.**—Under the provisions of the Karnataka Entertainments Tax Act 1958 (Karnataka Act 30 of 1958), the entertainments tax payable in respect of the films for which 'A' certificates are granted by the Board of Film Censors for restricted exhibition is twice the tax payable in other cases.

It is now felt that the tax payable for such films should be the same as that normally paid for other films.

The present Bill is intended to achieve this object.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 18th July 1980, as No. 567, p. 3.)

## XIV

**Amending Act 5 of 1981.**—The present Bill is intended to give effect to the pronouncements made in the Budget Speech for the year 1981-82. In view of the proposed general reduction in the rate of tax applicable to Kannada, Konkani and Telugu Films produced in the State and with a view to safe-guarding Government revenue, certain provisions of the Law relating to grant of exemptions from payment of tax. Films on the basis of their language, theme or attitude value, etc., are now proposed to be modified. However grant of exemptions to Films receiving National or State Awards would be continued under the existing provisions of the Act. The provision in the existing Act relating rounding off of tax liability is modified in the interest of State revenue.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th March 1981, as No.197, p. 4.)

#### XV

**Amending Act 13 of 1982.**—In the budget speech for the year 1982-83, the Hon'ble Minister for 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 in the Karnataka Gazette (Extraordinary), Part IV-2A dated 27th March 1982, as No. 228, p. 31.)

#### XVI

**Amending Act 2 of 1983.**—Under the scheme of compulsory composition in section 4A of the Karnataka Entertainments Tax Act, 1958 (Karnataka Act No. 30 of 1958) as applicable to the cinematograph shows held in cinema theatres situated in local authorities with a population exceeding 15000 and less than 25000, as is payable either at 25 per cent of the gross collection capacity or at 20 per cent of the gross collection capacity on the maximum number of shows per day. It is not permissible to pay the tax in respect of such theatres in accordance with sections 3 and 3A of the Act. It was found that this scheme imposed very heavy tax burden on such theatres and some relief was necessary. It is therefore proposed to amend section 4A and provide for a scheme of composition for such theatres under which option is given to the proprietors of such theatres to pay either entertainments tax and surcharge under sections 3 and 3A or entertainments tax at 20 per cent of the gross collection capacity on the maximum number of permitted shows.

In order to remove difficulties in the determination of gross collection capacity of drive-in-theatres for levying entertainments tax it is proposed to remove such theatres from the scheme of composition under section 4A.

The incentive by way of reduction of 50 per cent of the entertainments tax given to Kannada, Kodava, Konkani and Tulu language films is now confined only to such films produced in the State of Karnataka. With a view to further encourage the development of films in the above regional languages it is now proposed to remove the said restriction by amending sections 3C and 4A.

An Ordinance was promulgated to bring some of the provisions aforementioned immediately into force.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th November 1982, as No. 824, p. 56.)

#### XVII

**Amending Act 9 of 1983.**—According to the existing provisions of the Karnataka Entertainments Tax Act, 1958, levy of tax is restricted only to the two types of entertainments namely cinematograph shows and horse races. In the Budget speech for the year 1983-84, it has been indicated that the levy of entertainments tax shall be extended to certain selected games as well, but at concessional rates. The Bill seeks to implement these pronouncements in the Budget speech.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 29th March 1983, as No. 204, p. 53.)

#### XVIII

**Amending Act 9 of 1984.**—In the Budget Speech for the year 1984-85, The Hon'ble Chief Minister has proposed to withdraw the levy of Entertainments Tax on sports and also to provide for the passing of benefit of exemption or reduction of entertainments tax to the cinegoers in respect of theatres which are covered by composition scheme.

The Karnataka Taxation Review Committee had recommended prescribing a minimum penalty for evasion of taxes.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 22nd March 1984, as No. 180, p. 50.)

#### XIX

**Amending Act 3 of 1985.**—The proposed legislation is for the purpose of making amendments to certain definitions under the Act with a view to making the levy of tax effective; for liberalising exemptions in favour of award winning films, educational films and children films. The proposed legislation also seeks to extend the composition Scheme to places upto a population of one lakh and also to extend the scheme to entertainment through video shows. It is also proposed to rationalise and streamline the existing provisions.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 22nd September 1983, as No. 836, p. 59.)

#### XX

**Amending Act 22 of 1985.**—Consequent upon the presentation of the budget for the year 1985-86 the following amendments to the Karnataka Entertainments Tax Act, 1958 become necessary.

Clause 2 provides for amendment of section 3C to limit the concession now given to films produced in the regional languages outside the State for a period or

one year from 1-1-1986 and continue such concession to such films produced within the State.

Clause 3 is to prohibit the proprietors of cinema theatres from collecting show tax from the persons admitted to the cinema.

Clause 4(3) is to plug the evasion of tax by the proprietors of cinema theatres paying tax under section 4A.

In respect of Video Shows, the tax is increased from Rs. 100 per month to Rs. 1,000 per month.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 1st August 1985, as No. 416, p. 47.)

#### XXI

**Amending Act 3 of 1987.**— According to clause (b) of sub-section (1) of section 3C of the Karnataka Entertainment Tax Act, 1958 in the case of a cinematograph show of a Kannada, Kodava, Konkani or Tulu film produced outside the State of Karnataka the rates of entertainment tax payable shall be one half of the rates specified therein for a period of six months from the date of first release of such film in the State of Karnataka, but not beyond 31st December 1986. It is proposed to extend the date from 31st December 1986 to 31st December 1987.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 4th February 1987, as No. 98, p. 67.)

#### XXII

**Amending Act 15 of 1987.**—To give effect to the proposals made in the budget speech it is proposed to amend the Karnataka Entertainments Tax Act, 1958. Opportunity is taken to make a consequent amendment to section 4A also.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 27th March 1987, as No. 244, p. 77.)

#### XXIII

**Amending Act 17 of 1987.**—To give effect to the announcement made by the Hon'ble Chief Minister on the floor of the Assembly on 27th March 1987, it is proposed to increase the rate of show tax in lieu of exemption of tax on leasing of feature films under Karnataka Sales Tax Act, 1957.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 3rd April 1987, as No. 285, p. 65.)

#### XXIV

**Amending Act 31 of 1987.**—The definition of “local authority” appearing in clause (g) of section 2 of the Karnataka Entertainments Tax Act, 1958 includes a town panchayat or a village panchayat. After coming into force of the Karnataka Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayats and Nyaya Panchayats Act, 1983, the town panchayats and village panchayats are no more in existence and in their place Mandal Panchayats are constituted. Therefore, it is necessary to amend clause (g) to substitute the expression “Mandal Panchayat” in place of “town panchayats or Village panchayat”.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 2nd September 1987, as No. 573, p. 69.)

#### XXV

**Amending Act 2 of 1988.**—With a view to give some relief to the exhibitors of Kannada films from the enhancement of Show Tax, it is proposed to amend the Karnataka Entertainments Tax Act, 1958.

As the matter was urgent and the Karnataka Legislative Council was not in Session, the Karnataka Entertainments Tax (Amendment) Ordinance, 1987 (Kannada Ordinance 7 of 1987) was promulgated.

This Bill seeks to replace the said Ordinance.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 23rd January 1988, as No. 54, p. 62.)

#### XXVI

**Amending Act 17 of 1988.**—While a film in Kannada, Kodava, Konkani or Tulu language has to secure a “best feature film award” for exemption from payment of entertainments tax, a film in any other language has to secure only “an award” for exemption from payment of Entertainments Tax. It is proposed to set right the anomaly in the condition necessary for grant of exemption from payment of entertainments tax by requiring films in other languages also to secure “a best feature film award” for grant of exemption from payment of Entertainments Tax.

With a view to provide some relief to films other than Kannada, Kodava, Konkani or Tulu languages, it is proposed to reduce the show tax.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 2nd April 1988, as No. 201, p. 3.)

#### XXVII

**Amending Act 20 of 1989.**—It is proposed to amend the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958),—

(i) to empower the State Government or the Commissioner to issue orders, instructions and directions to the subordinate officers for the effective implementation of the provisions of the Act; and

(ii) to empower the Commissioner to transfer the powers conferred on an entertainments Tax Officer in respect of any specified place of Entertainments to any other Entertainments Tax Officer.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 27th March 1989, as No. 167, p. 74.)

#### XXVIII

**Amending Act 7 of 1990.**—To give effect to the proposals made in the Budget Speech, it is considered necessary to amend the Karnataka Entertainments Tax Act, 1958.

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

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 29th March 1990, as No. 162, p. 71.)

#### XXIX

**Amending Act 6 of 1992.**—After examining the representation made by the Karnataka Film Chamber of Commerce, it was considered necessary to extend 50% concession in Entertainment Tax to all Kannada, Kodava, Konkani or Tulu films censored before 31-12-1987, irrespective of whether the film has been produced within Karnataka or outside, and without any time limit. Accordingly, the Karnataka Entertainment Tax (Amendment) Ordinance, 1991 (Karnataka Ordinance No. 12 of 1991) was promulgated.

This Bill seeks to replace the said Ordinance.

Opportunity is also taken to amend Section 17 to provide for payment of compensation to the local authorities out of the proceeds of the surcharge collected during any year.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 30th March 1992, as No. 199, p. 51.)

### XXX

**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 judgement 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 L.A. Bill No. 29 of 1992.)

### XXXI

**Amending Act 11 of 1993.**— (As appended to at the time of introduction of the Bill)

It is considered necessary to amend the Karnataka Tax on Luxuries (Hotels 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)

### XXXII

**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 or 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 L.A. Bill No. 12 of 1994.)

### XXXIII

**Amending Act 25 of 1994.**—It is considered necessary to amend the Karnataka Entertainments Tax Act, 1958 to give effect to the report of the Committee Constituted under the Chairmanship of Sri V. N. Subba Rao to suggest comprehensive policy for Karnataka Film Industry.

The Bill among other things provides for :

- (i) levy of tax on cinematograph shows other than video shows on the basis of gross collection capacity per show in respect of entertainment held in cinema theatres situated within the limits of a local authority or town or village having a population above 15,000;
- (ii) levy of entertainment tax at one-half of the rate in respect of a Kannada film remade from a film of any other language after a period of ten years from the date of issue of certificate by the Central Board of Film Certification to such other Language Film;
- (iii) levy of entertainment tax at one-half of the rate in respect of a Kannada film remade from a film of any other language which has secured a best feature film award by the Central Government or any State Government or has figured in the Panorama Section of International Film Festival;
- (iv) payment of a lumpsum tax in lieu of tax under section 3B in respect of cinematograph shows other than video shows on the basis of gross collection capacity per show (irrespective of actual shows held or not) in cinema theatres situated within the limits of local authority or town or village having a population above fifteen thousand;
- (v) exemption of entertainment tax for a period one year to be specified by the Government in respect of cinematograph show of a Kannada, Konkani, Kodava or Tulu film which has secured a best feature film award granted by the Central Government or any State Government or any internationally recognized award;
- (vi) exemption of entertainment tax for a period of six months to be specified by the Government in the case of cinematograph show of a film other than Kannada, Konkani, Kodava or Tulu film which has secured a best feature

film award granted by the Central Government or any State Government or any internationally recognised award;

- (vii) levy of tax at one-half of the rates in the case cinematograph show of Kannada, Konkani, Kodava or Tulu film produced in the State of Karnataka;
- (viii) levy of tax at one-half of the rates in the case cinematograph show of a Kannada, Konkani, Kodava or Tulu film produced outside the State of Karnataka and which has secured a censor certificate issued by the Central Board of Film Certification on or before 31st December 1987.

Certain consequential changes also have been made.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 29th August 1994, as No. 714, p. 31.)

#### XXXIV

**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 L.A. Bill No. 4 of 1995..)

#### XXXV

**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 Employments 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.

(Obtained from L.A. Bill No. 12 of 1996.)

#### XXXVI

**Amending Act 15 of 1996.**—It is considered necessary to make amendments to the following enactments.

1. It is proposed to amend sub-section (7) of section 5 of the Karnataka Tax on Entry of Goods Act, 1979 to empower the Joint Commissioner instead of the Commissioner to defer the assessment.

2. Consequent to the amendment of section 3 of the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979, clause (5) of Section 2 thereof is proposed to be amended.

3. It is proposed to insert a new Section 7A in the Karnataka Entertainments Tax Act, 1958 to empower the State Government to notify exemption or reduction of tax in respect of entertainments held in newly constructed cinema theatres situated within the limits of any specified local authority or class of local authority.

4. In the Karnataka Sales Tax Act, 1957, it is proposed to amend:—

- (i) sub-section (1) of section 3B to empower the Commissioner instead of the State Government to specify the functions of the Additional Commissioners.
- (ii) Explanation to sub-section (1C) of Section 5, to re-define the term silk fabrics with a view to include only such silk fabrics in which proportion of silk is 60% or more by weight of total fibre content so that small time weavers who weave the silk sarees of inferior quality with less than 60% silk content and sell to the customers, will get tax relief.
- (iii) proviso to sub-section (2) of section 6A, to empower the Commissioner to notify any other goods in addition to the goods referred to in the proviso.
- (iv) sub-section (3) of section 28-A, to empower the officer intercepting any goods vehicle at any place other than a check post or barrier to direct the person incharge or owner of such goods vehicle to take it to the nearest check post or Police Station for the purpose of examining contents in the vehicle;
- (v) sub-section (4) of section 28-A to provide for levy of minimum penalty and to enhance the upper limit of the penalty.
- (vi) sub-section (6) of section 28-A, to empower the officer levying penalty to retain the goods vehicle in case of a tanker carrying goods in liquid or gaseous form or to retain the whole goods if it is a single unit and not separable into any part; and to provide for furnishing Bank guarantee in respect of the penalty leviable under the Act.
- (vii) serial number 3-A of Second Schedule to reduce the tax from 12 per cent to 4 per cent in respect of agricultural implements like cultivators, discploughs etc.,

5. Certain consequential amendments are also made.

(Obtained from L.A. Bill No. 23 of 1996.)

### XXXVII

**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 Employments 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 L.A. Bill No. 12 of 1997.)

### XXXVIII

**Amending Act 18 of 1997.**—It is considered necessary to amend the Karnataka Sales Tax Act, 1957 to reflect the clear intention of the Budget speech for the year 1997-98.

After considering the representation made by the Karnataka Film Chamber of Commerce, it was considered necessary to amend the Karnataka Entertainments Tax Act, 1958 to provide for,

- (i) reduction of rate of entertainment tax, and
- (ii) abolition of surcharge consequent to re-introduction of ticket sealing system with effect from 1.4.97;

In view of the decision of the Hon'ble High Court of Karnataka in W. P. No. 2397/1988 and other connected matters, it has become necessary to amend the Karnataka Agricultural Income Tax, 1957 retrospectively with effect from 1.4.1975 to facilitate assessment of income received after dissolution of a firm even though at the time of such assessment the firm stood dissolved.

Hence, the Bill.

(Obtained from L.A. Bill No. 35 of 1997.)

**XXXIX**

**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 (Hotels, Lodging Houses and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Karnataka Excise Act 1966 (Karnataka Act 21 of 1966), 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.

(Published in the Karnataka Gazette (Extraordinary), Part IV-2A dated 26th March 1988, as No. 349, p. 32 and L.A. Bill No. 6 of 1998.)

**XL**

**Amending Act 20 of 1998.-** It is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) and the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 32 of 1958) to provide for exemption for certain State public undertakings engaged in manufacturing activities from deduction Tax under section 19AA, to authorise the Joint Commissioner of the Commercial Taxes to permit prosecution under section 29(2), to increase the composition amount to be on par with the other penalties under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), and to provide relief to cinema theatres in respect of Show Tax under the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 32 of 1958).

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A, dated 15th May 1998, as No. 601, p.5)

**XLI**

**Amending Act 4 of 1999.-** It is considered necessary to amend the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), 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) and the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958) 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 1999.)

#### XLII

**Amending Act 5 of 2000.-** It is considered necessary to amend the Mysore Betting Tax Act, 1932 (Mysore Act IX of 1932), the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957), the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979) and the Karnataka Entertainment Tax Act, 1958 (Karnataka Act 30 of 1958) 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 2000.)

#### XLIII

**Amending Act 26 of 2000.-** (As appended to at the time of introduction)

In the Budget 200-2001, the entertainment tax on non-Kannada films was enhanced from 70% to 100% with effect from 1.4.2000 and necessary amendments were made to the Karnataka Entertainment Tax Act, 1958.

After the Tax was so enhanced, representations were received from some of the trade bodies including cinema talkies owners and peoples representatives that this increase was very steep and had caused lot of distress to the cine owners and cine goers and had adverse impact on the attendance in cinema halls and would severely impair the cinema trade including the upkeep of the cinema halls.

Likewise, there were request for Banjara-specking peoples, who are also minorities in the State of karnataka to extend the benefit of exemption from payment of entertainment tax in respect of Banjara film as it has been allowed to Kodava Konkani and tulu films.

After examining the representations, the Government was convinced that cinema trade in Karnataka so far as it relates to non-Kannada film was severely affected on account of steep increase in the rate of entertainment tax with effect from 1.4.2000 and therefore it was felt necessary to reduce the rate of tax to 80% by making suitable amendments to the Karnataka Entertainment Tax Act, 1958 to redress the

hardship caused to the cine owners and cine goers. It was also considered necessary to extend the benefit of exemption to Banjara film.

Since the Matter was urgent and the Karnataka Legislative Council was not in session, the Karnataka Entertainment Tax (Amendment) Ordinance, 2000 (Karnataka Ordinance No. 6 of 2000) was promulgated to achieve the above object.

Hence the Bill

(Obtained from L.A. Bill No 28 of 2000).

#### **XLIV**

**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 (Karnataka 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 1979), 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) and the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957). Certain consequential amendments are also made.

Hence the Bill

(Obtained from L.A. Bill No 7 of 2001. DPAL 9 SHASANA 2001).

#### **XLV**

**Amending Act 5 of 2002.-** It is considered necessary to amend the Karnataka Agriculture Income Tax Act, 1957, the Karnataka Sales Act, 1957, the Karnataka Taxes on Luxuries Act, 1979, the Karnataka Taxes on entry of Goods Act, 1979 and the Karnataka Entertainment Tax Act, 1958 to give effect to the proposal made in the Budget Speech and matters connected therewith.

Certain consequential and incidental amendments are also made.

Hence the Bill

(Obtained from L.A. Bill No 12 of 2002. DPAL 18 SHASANA 2002).

#### **XLVI**

**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 Sales Tax Act, 1957, the Karnataka Entertainments Tax Act, 1958, the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976, the Karnataka Tax on Luxuries Act, 1979, the

Karnataka Tax on Entry of Goods Act, 1979 and the Karnataka Electricity (Taxation on Consumption) Act, 1959.

Hence the Bill.

[L.A. Bill No. 9 of 2003]

(Entries 46, 52, 53, 54, 60 and 62 of List-II of the Seventh Schedule to the Constitution of India)

#### XLVII

**Amending Act 3 of 2004.-** The Hon'ble High Court of Karnataka in S.T.R.P. numbers 46 to 57/2003 has held that tax cannot be levied on civil works like asphaltting and repairing of roads under the existing provisions of the Karnataka Sales Tax Act, 1957. However, taxes have been levied and collected on such civil works from 1<sup>st</sup> April 1986 relying on the existing entries. In view of the decision of the Hon'ble High Court, it is considered necessary to incorporate an enabling provision to levy such tax by amending the Karnataka Sales Tax Act, 1957 with retrospective effect.

Similarly, the Hon'ble High Court of Karnataka in W. P. Nos. 8607-8608/2003 has held that the tax cannot be levied on works contract of processing and supplying of photographs, photo prints and photo negatives under the existing provisions of the Karnataka Sales Tax Act, 1957. The Hon'ble High court has held that though the State Legislature has the power to levy tax on such works contracts, in view of the relevant entry having been struck down by the Hon'ble Supreme Court, in September 1999, tax cannot be levied and collected on such works contracts till the relevant entry is re-introduced in the Karnataka Sales Tax Act, 1957. Taxes have been levied and collected on such works contracts from 1<sup>st</sup> July 1989. In view of the decision of the Hon'ble Supreme Court and the High Court, it is considered necessary to amend the Karnataka Sales Tax Act, 1957 with retrospective effect.

It is also considered necessary that there should be a provision under the Karnataka Sales Tax Act, 1957 to constitute a Settlement Commission to reduce long pending disputes and recover tax arrears expeditiously.

The rate of sales tax being levied at present on Camphor is 5%. Whereas the Empowered Committee of State Finance Ministers has appealed to all the States / UTs to adopt the floor rates on all items. Hence, the rate of sales tax on Camphor is being increased to the floor rate of 8% by amending the Karnataka Sales Tax Act, 1957.

It is also considered necessary to amend the Karnataka Tax on Luxuries Act, 1979, to give tax relief to clubs situated within areas outside municipal

corporations and to give tax relief to senior citizens and members of a youth club registered or recognised by the Department of Youth Services.

It is also considered necessary to omit the provisions under the Karnataka Entertainments Tax Act, 1958 relating to collection of service charges by the owners of theatres.

Hence the Bill.

[L.A. BILL No. 6 OF 2004]

#### **XLVIII**

**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 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 Luxuries Act, 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 also to codify and make certain consequential amendments to implement reliefs already announced.

Hence the Bill.

[ L.A. BILL No. 18 OF 2004 ]

#### **XLIX**

**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.

(LA Bill No. 12 of 2005)

**L**

**Amending Act 25 of 2005.-** To give effect to the decision taken to re-introduce the provision of collection of tax free service charges by the cinema theatre owners for maintenance of the theatres as requested by the film industry.

Hence the Bill.

(LA Bill No. 23 of 2005)

**LI**

**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 ]

**LII**

**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.]

**LIII**

**Amending Act 25 of 2007.-** It is considered necessary to amend the Karnataka Entertainments Tax Act, 1958 to reduce the tax pay payable by a proprietor of amusement in order to encourage tourism in the State.

Hence the Bill.

[L.A.Bill No 40 of 2007]

[Entry 62 of List II of the Seventh Schedule to the Constitution of India.]

**LIV**

**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 Shasana 2008)

[Entry 62 of List II of the Seventh Schedule to the Constitution of India.)

**LV**

**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 Shasana 2009)

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

**LVI**

**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.]

## LVII

**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.]

## LVIII

**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.]

### LIX

**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.]

### LX

**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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**<sup>1</sup>[KARNATAKA ACT]<sup>1</sup> No. 30 OF 1958.**

(First published in the <sup>1</sup>[Karnataka Gazette]<sup>1</sup> on the First day of January, 1959.)

**THE <sup>1</sup>[KARNATAKA]<sup>1</sup> ENTERTAINMENTS TAX ACT, 1958.**

(Received the assent of the Governor on the Nineteenth day of December, 1958.)

(As Amended by Acts 14 of 1966, 31 of 1969, 14 of 1971, 4 of 1973, 15 of 1974, 36 of 1976, 16 of 1977, 3, 21 and 25 of 1979, 14 and 26 of 1980, 5 of 1981, 13 of 1982, 2 and 9 of 1983, 9 of 1984, 3 and 22 of 1985, 3, 15, 17 and 31 of 1987, 2 and 17 of 1988, 20 of 1989, 7 of 1990, 6 of 1992, 5 and 11 of 1993, 18 and 25 of 1994, 6 of 1995, 5 and 15 of 1996, 7 and 18 of 1997, 3 and 20 of 1998, 4 of 1999, 5 of 2000, 26 of 2000, 5 of 2001, 5 of 2002, 7 of 2003, 3 of 2004, 26 of 2004, 11 of 2005, 25 of 2005, 5 of 2006, 5 of 2007, 25 of 2007, 6 of 2008, 7 of 2009, 5 of 2010, 15 of 2011, 18 of 2012, 53 of 2013 and 05 of 2016.)

**An Act to consolidate and amend the laws relating to the levy of tax on entertainments in the <sup>1</sup>[State of Karnataka]<sup>1</sup>.**

WHEREAS it is expedient to consolidate and amend the laws relating to the levy of tax on entertainments in the <sup>1</sup>[State of Karnataka]<sup>1</sup>;

BE it enacted by the <sup>1</sup>[Karnataka State]<sup>1</sup> Legislature in the Ninth year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

**1. Short title, extent and commencement.**- (1) This Act may be called the <sup>1</sup>[Karnataka]<sup>1</sup> Entertainments Tax Act, 1958.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

(2) It extends to the whole of the <sup>1</sup>[State of Karnataka]<sup>1</sup>.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

(3) Section 19 shall come into force at once in the whole of the <sup>1</sup>[State of Karnataka]<sup>1</sup> and the rest of this Act shall come into force at once in the areas of the State in which any of the enactments repealed by section 19, was in force. All the provisions of this Act (except section 19) shall come into force in such other area or areas of the State from such <sup>2</sup>[date]<sup>2</sup> or dates as the State Government may by notification specify.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

2. Act came into force in all other areas of the State on 1.1.1959 by notification. Text of the notification is at the end of the Act.

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

(a) “admission” includes admission as a spectator or as one of an audience, and admission for the purpose of amusement by taking part in an entertainment;

<sup>1</sup>[(aa) “**Additional Commissioner**” means the Additional Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957) or the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004); ]<sup>1</sup>

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

(b) “admission to an entertainment” includes admission to any place in which an entertainment is held;

<sup>1</sup>[(ba) “**Amusement**” means any amusement and includes playing a game or skill on a machine or riding on a machine or any other carriage or contraption or boat or other vessel or playing in an enclosure or water body or any other specially designed or developed or demarcated surface or area or participating in any contest or game of chance or skill or talent, held or organized or provided in any amusement arcade or amusement park or any other place for which persons are required to make payment for admission or participation;]<sup>1</sup>

1. Substituted by Act 5 of 2006 w.e.f 01.04.2006.

<sup>1</sup><sup>2</sup>[(bb)]<sup>2</sup> “antennae” means an apparatus which receives television signals that enables viewers to tune into transmission including national or international satellite transmission or moving pictures or series of pictures, by means of transmission of television signals by wire where subscriber’s television sets at the residential or non-residential places are linked by metallic co-axial or optic fibre cable to a Central System, called headend <sup>3</sup>[or a tuner or a similar device which enables Direct To Home transmission of television signals]<sup>3</sup> ]<sup>1</sup>

1. Inserted by Act 11 of 1993 w.e.f 01.04.1993.

2. Renumberd by Act 5 of 2002 w.e.f 01.04.2002.

3. Inserted by Act 5 of 2006 w.e.f 01.04.2006.

<sup>1</sup>[(c) <sup>2</sup>[Deputy Commissioner]<sup>2</sup> means a <sup>2</sup>[Deputy Commissioner]<sup>2</sup> of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957;]<sup>1</sup>

1. Substituted by Act 3 of 1985 w.e.f 10.01.1985

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

<sup>1</sup>[(ca) “cable television” means a system organised for exhibition of films or moving pictures or series of pictures by means of transmission of television signals by wire where subscriber’s television set is linked by metallic co-axial cable or optic fibre cable to a central system called the ‘headend’ and, by using a video cassette or disc or both, recorder or player or similar such apparatus on which pre-recorded video cassettes or disc or both are played or replayed and the films or moving pictures or series of pictures which are viewed and heard on Television receiving set at a residential or a non-residential place of a connection holder;]<sup>1</sup>

1. Inserted by Act 11 of 1993 w.e.f 01.04.1993.

<sup>1</sup>[<sup>2</sup>[(cb)]<sup>2</sup> ‘cinema theatre’ means any place of entertainment in which cinematograph shows are held to which persons are admitted for payment;]<sup>1</sup>

1. Inserted by Act 16 of 1977 w.e.f 01.04.1979 by notification. Text of the notification is at the end of the Act.

2. Clauses (ca) and (cb) relettered as (cb) and (cc) by Act 11 of 1993 w.e.f. 01.04.1993.

<sup>1</sup>[<sup>2</sup>[(cc)]<sup>2</sup> “Commissioner” means the Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957;]<sup>1</sup>

1. Inserted by Act 3 of 1985 w.e.f 10.01.1985.

2. Clauses (ca) and (cb) relettered as (cb) and (cc) by Act 11 of 1993 w.e.f. 01.04.1993.

(d) “complimentary ticket” means a ticket or pass for admission to an entertainment free of any payment or at a reduced rate of payment for such admission;

<sup>1</sup>[(da)XXX]<sup>1</sup>

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

<sup>1</sup>[(e) ‘Entertainment’ with all its grammatical variations and cognate expressions means,—

(i) a horse race <sup>2</sup>[or live telecast of a horse race]<sup>2</sup> to which persons are admitted on payment;

(ii) Cinematograph show including video shows to which persons are admitted on payment or exhibition of films or moving pictures which are viewed and heard on the television receiving set, with the aid of any type of antennae with the cable network attached to it <sup>3</sup>[or without a cable network attached under the Direct To Home scheme]<sup>3</sup> or cable television for which

persons are required to make payment by way of contribution or subscription or installation and connection charges or any other charges collected in any manner whatsoever;

(iii) any amusement <sup>4</sup>[or recreation or any entertainment provided by a multi system operator]<sup>4</sup> or exhibition or performance or pageant or a <sup>5</sup>[x x x]<sup>5</sup> game or sport whether held indoor or outdoor to which persons are admitted on payment;]<sup>1</sup>

1. Substituted by Act 7 of 1997 w.e.f 01.04.1997.

2. Inserted by Act 26 of 2004 w.e.f 01.08.2004.

3. Inserted by Act 5 of 2006 w.e.f 01.04.2006.

4. Inserted by Act 5 of 2002 w.e.f 01.04.2002.

5. Omitted by Act 3 of 1998 w.e.f 01.04.1998.

<sup>1</sup>[**Explanation.**- <sup>2</sup>[game]<sup>2</sup> or sport shall mean Cricket, Hockey, Foot Ball, Basket Ball, Tennis, Golf, <sup>3</sup>[x x x]<sup>3</sup> Volley-Ball, Badminton, Kabbadi, Swimming, Athletics, Base-Ball, Weight Lifting, and any other sport or game the Government may notify.]<sup>1</sup>

1. Inserted by Act 4 of 1999 w.e.f. 01.04.1997.

2. Substituted by Act 5 of 2006 w.e.f 01.04.2006.

3. Omitted by Act 5 of 2002 w.e.f 01.04.2002.

<sup>1</sup>[(e1) x x x]<sup>1</sup>

1. Inserted by Act 9 of 1983 w.e.f. 01.04.1983 and Omitted by Act 9 of 1984 w.e.f 01.04.1984.

(f) "institution" includes a company, society, club or other association of persons by whatever name called;

<sup>1</sup>[(fa) "<sup>2</sup>[Additional Commissioner]<sup>2</sup>" means the <sup>2</sup>[Additional Commissioner]<sup>2</sup> of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957.]<sup>1</sup>

1. Inserted by Act 3 of 1985 w.e.f. 10.01.1985.

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

<sup>1</sup>[(fb) "Joint Commissioner" means the Joint Commissioner of Commercial Taxes appointed under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957);]<sup>1</sup>

1. Sbstituted by Act 7 of 1997 w.e.f. 01.04.1997.

<sup>1</sup>[(g) 'local authority' means a municipal corporation a city municipal council, a town municipal council, a cantonment board, a town board, a sanitary board, a notified area committee, <sup>2</sup>[a <sup>3</sup>[Grama panchayat]<sup>3</sup>]<sup>2</sup>, as the case may be;]<sup>1</sup>

1. Sbstituted by Act 14 of 1966 w.e.f. 16.05.1966 by notification Text of the notification is at the end of the Act.

2.. Sbstituted by Act 31 of 1987 w.e.f. 01.04.1987.

3. Sbstituted by Act 18 of 1994 w.e.f. 01.04.1994.

<sup>1</sup>[(gg) " Multi System Operator `` means person engaged in the business of receiving and distributing satellite television signals, communication network, including production and transmission of programmes and packages.``]<sup>1</sup>

1. Inserted by Act 5 of 2002 w.e.f. 01.04.2002.

(h) "notification" means a notification published in the Official Gazette;

(i) "payment for admission" includes,—

(i) any payment made by a person who having been admitted to one part of a place of entertainment is subsequently admitted to another part thereof, for admission to which a payment involving a tax or a higher tax is required;

(ii) any payment for seats or other accommodation in a place of entertainment;

<sup>1</sup>[(iii) any payment made for the loan or use of any instrument or contrivance which enables a person to get a normal or better view or hearing of the entertainment which, without the aid of such instrument or contrivance, such person would not get;

(iv) any payment for any purpose whatsoever connected with an entertainment which a person is required to make as a condition of attending or continuing to attend the entertainment in addition to the payment, if any, for admission to the entertainment;

<sup>1</sup>[(iv-a) any payment for any purpose whatsoever connected with an entertainment including sponsorship fee and advertisement charges, which is paid to the proprietor or any person connected with conducting or organising such entertainment, <sup>2</sup>[with a view to promoted goodwill, brand name or any business interest directly or indirectly which enables entry of any person in to the entertainment]<sup>2</sup>]<sup>1</sup>;

1. Inserted by Act 5 of 2001 w.e.f. 01.04.2001.

2. Substituted by Act 5 of 2002 w.e.f. 01.04.2002.

(v) any payment for admission of a motor vehicle into the auditorium of a cinema known as drive-in-theatre.]<sup>1</sup>

1. Sub clauses (iii) to (v) inserted by Act 3 of 1985 w.e.f 10.01.1985.

<sup>1</sup>[**Explanation.-** "Payment for admission" shall not include any sponsorship fee or advertisement charges paid to the proprietor or any person connected with or conducting or organising any event of sport]<sup>1</sup>

1. Substituted by Act 3 of 2004 w.e.f 29.01.2004.

<sup>1</sup>[(ia) "population" means the population as ascertained at the last preceding census of which the relevant figures are published;]<sup>1</sup>

1. Inserted by Act 16 of 1977 w.e.f 01.04.1979.

<sup>1</sup>[<sup>3</sup>[(ib) "place of entertainment"]<sup>3</sup> means the place where an entertainment is held and includes the booking office <sup>2</sup>[and any place from where the entertainment is provided by means of cable connection from any type of antennae with a cable net work attached to it or cable television]<sup>2</sup> and such other place where the accounts and other documents connected with the entertainment are kept.]<sup>1</sup>

1. Inserted by Act 3 of 1985 w.e.f 10.01.1985.

2. Inserted by Act 11 of 1993 w.e.f 01.04.1993.

3. Substituted by Act 3 of 1998 w.e.f 01.04.1998

(j) "prescribed" means prescribed by rules made under the Act;

<sup>1</sup>[(k) 'proprietor' in relation to any entertainment other than an entertainment referred to in sub-clause (iii) of clause (e) includes any person responsible for the management thereof and in relation to any entertainment referred to in sub-clause (iii) of clause (e) includes any person conducting, organising, sponsoring or patronising any such entertainment.]<sup>1</sup>

1. Substituted by Act 7 of 1997 w.e.f 01.04.1997.

<sup>1</sup>[(l) " Recreation Parlour " means any place where a game such as bowling, billiards, snooker or the like by whatever name called is provided, for which persons are required to make payment for admission or participation.]<sup>1</sup>

1. Inserted by Act 5 of 2002 w.e.f 01.04.2002.

<sup>1</sup>[**2A. Instructions to subordinate authorities.-** <sup>1</sup>[(1)]<sup>1</sup> The State Government or 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 or the Commissioner:

1. Renumberd by Act 7 of 1997 w.e.f 01.04.1997.

<sup>1</sup>[(2) All officers and persons employed in implementation of this Act shall observe and follow such administrative instructions as may be issued to them for their guidance by the Joint Commissioner within whose jurisdiction they perform their functions.]<sup>1</sup>

1. Inserted by Act 7 of 1997w.e.f 01.04.1997.

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.

**2B. Power to issue directions regarding jurisdiction.-** The Commissioner may by general or special order in writing direct that the powers conferred on an Entertainments Tax Officer of an area by or under this Act, shall, in respect of any specified place of entertainment in such area be exercised by the Entertainments Tax Officer of any other area whereupon the Entertainments Tax Officer of such other area may exercise and perform the same powers and functions in respect of such place of entertainment as the former officer.]<sup>1</sup>

1. Sections 2A and 2B inserted by Act 20 of 1989 w.e.f 17.04.1989.

**<sup>1</sup>[3. Tax on payment for admission to entertainments.-** <sup>2</sup>[(1) There shall be levied and paid to the State Government entertainments tax on each payment for admission excluding the amount of tax, to an entertainment,-

(a) specified in sub-clause (i) of clause (e) of Section 2 at 70 per cent of such payment; and

(b) specified in sub-clause (ii) of clause (e) of Section 2 at <sup>3</sup>[30 per cent]<sup>3</sup> of such payment.]<sup>2</sup><sup>1</sup>

1. Substituted by Act 14 of 1966 w.e.f 16.05.1966.

2. Sub-section (1) substituted by Act 26 of 2004 w.e.f 1.8.2004.

3. Substituted by Act 7 of 2009 w.e.f 01.04.2009.

<sup>3</sup>[Table x x x]<sup>3</sup>

<sup>1</sup>[Proviso x x x]<sup>1</sup>

1. Inserted by Act 21 of 1979 and omitted by Act 5 of 1981 w.e.f 04.04.1981.

<sup>1</sup>[Provisos x x x]<sup>1</sup>

1. Inserted by Act 9 of 1983 and omitted by Act 9 of 1984 w.e.f 01.04.1984.

<sup>1</sup>[(1-A) In respect of entertainments referred to in sub-clause (iii) of clause (e) of Section 2, other than an entertainment on which tax is levied under section 4-E or 4-F, there shall be levied and paid to the State Government on each payment for admission excluding the amount of tax, to such entertainment, entertainments tax at the rate of ten per cent, if such payment for admission, excluding the amount of tax, is not less than fifty rupees.

Provided that no tax shall be levied in the case of admission to a circus <sup>2</sup>[or drama]<sup>2</sup> or magic show or game or sport, where it involves no participation.]<sup>1</sup>

<sup>3</sup>[Provided further that admission to a game or sport involving proprietary teams, that is played for prize moneys and organized on commercial basis shall not be exempted from tax under the first proviso.;]<sup>3</sup>

1. Substituted by Act 5 of 2006 w.e.f. 01.04. 2006.

2. Inserted by Act 5 of 2007 w.e.f. 01.04. 2007.

3. Inserted by Act 7 of 2009 w.e.f. 01.04.2009.

(2) Notwithstanding anything contained in sub-section (1), <sup>1</sup>[and sub-section (1-A)]<sup>1</sup> <sup>2</sup>[x x x]<sup>2</sup> there shall be levied and paid to the State Government (except as otherwise expressly provided in this Act) on every complimentary ticket issued by the proprietor of an entertainment, the entertainments tax at the appropriate rate specified in sub-section (1) <sup>1</sup>[and sub-section (1-A)]<sup>1</sup> <sup>2</sup>[x x x]<sup>2</sup> in respect of such entertainment, as if full payment had been made for admission to the entertainment according to the class of seat or accommodation which the holder of such ticket is entitled to occupy or use; and for the purposes of this Act, the holder of such ticket shall be deemed to have been admitted on payment.

1. Inserted by Act 5 of 2001 w.e.f 01.04.2001.

2. . Inserted by Act 21 of 1979 w.e.f 31.03.1979 and Omitted by Act 26 of 1980 w.e.f 11.08.1980.

<sup>1</sup>[Provided that where the seat or accommodation which the holder of such a ticket is entitled to occupy or use is different from the classes of seat or accommodation inside the auditorium or place of entertainment and for admission to the said seat or accommodation no payment is fixed, the holder of such ticket shall be deemed to be entitled to occupy or use the highest class of seat or accommodation and shall for purposes of this Act,

be deemed to have been admitted on payment of the charges for such highest class of seat or accommodation.]<sup>1</sup>

1. Inserted by Act 36 of 1976 w.e.f 01.04.1976.

<sup>1</sup>[(3) Notwithstanding anything contained in sub-section (1-A) there shall be levied and paid to the state Government on every admission made by the proprietor of an entertainment on payment as defined in sub-clause (iv-a) of clause (i) of section 2, the entertainment tax at the rate specified in sub-section (1-A) in respect of such entertainment as if full payment had been made for admission to the entertainment according to the class of seat or accommodation which the person admitted occupies or uses ; and for the purpose of this Act, the person admitted shall be deemed to have been admitted on payment.

Provided that where the admission made to an entertainment whether or not having different classes of seat or accommodation inside the place of entertainment is wholly on payment as defined in sub-clause (iv-a) of clause (i) of Section 2, the payment made to such entertainment shall be deemed to have been made by the person or persons admitted]<sup>1</sup> ]<sup>1</sup>

1. Omitted by Act 36 of 1976 w.e.f 01.04.1976 and inserted by Act 5 of 2001 w.e.f 01.04.2001.

<sup>1</sup>**[3-A. Additional tax on admission.-** In the case of cinematograph shows, in addition to the tax leviable under section 3, there shall be levied and paid to the State Government a tax on each payment for admission to any class at the following rates namely,-

Sl. No.	Classification of Theatres	Amount
(1)	(2)	(3)
1	Air-conditioned and Air-cooled Theatres	One rupee on each payment for admission
2	Other Theatres	Fifty paise on each payment for admission] <sup>1</sup>

1. Section 3A inserted by Act 14 of 1966 and omitted by Act 18 of 1997 w.e.f 20.09.1997. Again inserted by Act 7 of 2003 w.e.f 01.04.2003.

<sup>1</sup>**[3B. x x x]**<sup>1</sup>

1. Inserted by Act 36 of 1976 and omitted by Act 13 of 1982 w.e.f 01.07.1982. Again inserted by Act 25 of 1994 w.e.f 27.09.1994 and omitted by Act 7 of 1997 w.e.f 1.4.1997.

**<sup>1</sup>[3-C. Special provision in respect of certain films.-**

Notwithstanding anything contained in sections 3 and 3-A, no tax shall be levied under the said sections on a cinematograph show of a Kannada, Kodava, Konkani, Tulu or Banjara film which is not a dubbed version of a film of other language, subject to production of a certificate by the proprietor, as may be prescribed.]<sup>1</sup>

1. Substituted by Act 6 of 2008 w.e.f. 1.8.2008.

(a) in the case of a cinematograph show of a <sup>1</sup>[Kannada film (other than a remake or a dubbed version of a film of other language, which has secured a Censor Certificate from the Central Board of Film Certification on or after First day of September, 1993) or a]<sup>1</sup> Kodava, Konkani <sup>2</sup>[Tulu or Banjara film]<sup>2</sup> produced in the State of Karnataka the rates of entertainments tax payable shall be <sup>3</sup>[nil]<sup>3</sup>;

1. Substituted by Act 18 of 1994 w.e.f. 1.4.1993.

2. Substituted by Act 26 of 2000 w.e.f. 14.8.2000.

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

<sup>1</sup>[Provided that in case of a Kannada Film which is remake of a film of other language, which has secured a Censor Certificate from the Central Board of Film Certification on or before 31st day of March, 2002, no tax shall be levied under <sup>3</sup>[sections 3 and section 3-A]<sup>3</sup> <sup>2</sup>[xxx]<sup>2</sup>]<sup>1</sup>

<sup>4</sup>[Provided further that tax at the rate of seventy-five per cent of the tax payable under <sup>3</sup>[sections 3 and 3-A]<sup>3</sup> shall be levied from 1st day of April, 2002 on a Kannada film which is a remake of a film of other language and which has secured a Censor Certificate from the Central Board of Film Certification.]<sup>4</sup>

1. Inserted by Act 5 of 2002 w.e.f. 1.4.1996.

2. Omitted by Act 7 of 2003 w.e.f. 1.4.1996.

3. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

4. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[(b) in the case of a cinematograph show of a Kannada, Kodava, Konkani, or Tulu film produced outside the State of Karnataka and which has secured censor Certificate issued by the Central Board of Film Certification on or before the thirty-first day of December, 1987, the rates of entertainments tax payable shall be <sup>2</sup>[nil]<sup>2</sup> <sup>3</sup>[x x x]<sup>3</sup>.]<sup>1</sup>

<sup>4</sup>[**Explanation.-** x x x]<sup>4</sup>]<sup>3</sup>]<sup>1</sup>

1. Substituted by Act 2 of 1988 w.e.f. 24.11.1987.
2. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.
3. Omitted by Act 6 of 1992 w.e.f. 31.12.1991.
4. Omitted by Act 6 of 1995 w.e.f. 1.4.1995.

<sup>1</sup>[(c) in the case of a cinematograph show of a Kannada film which is a remake of a film of any other language,—

- (i) having been remade in the State of Karnataka after a period of ten years from the date of issue of a certificate by the Central Board of Film Certification to such other language film; or
- (ii) which has secured a best feature film award granted by the Central Government or any State Government or has figured in the Indian Panorama section of International Film Festival and has been remade in the State of Karnataka;

the rate of entertainments tax payable shall be <sup>2</sup>[nil]<sup>2</sup>.]<sup>1</sup>

1. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.
2. Substituted by Act 5 of 1996 w.e.f. 1.4.1996.

Provided that where <sup>1</sup>[such film has secured, after the first day of April, 1981, a best feature film award granted by the Central Government or any State Government or an Internationally recognised award notified by the State Government,]<sup>1</sup> no entertainments tax shall be payable for a period of one year from such date as may be specified by the State Government.]<sup>4</sup>

1. Substituted by Act 3 of 1985 w.e.f. 10.1.1985.

<sup>1</sup>[(1A) Notwithstanding anything contained in sub-section (1), where a Kannada, Kodava, Konkani <sup>2</sup>[Tulu or Banjara film]<sup>2</sup> has secured after the first day of April, 1981 a best feature film award granted by the Central or any State Government or an internationally recognised award notified by the State Government, no entertainments tax shall be payable for a period of one year from such date as may be specified by the State Government.]<sup>1</sup>

1. Inserted by Act 22 of 1985 w.e.f. 15.2.1986 by notification. Text of the notification is at the end of the Act.
2. Substituted by Act 26 of 2000 w.e.f. 14.8.2000.

<sup>1</sup>[(2) Notwithstanding anything contained in <sup>2</sup>[section 3 <sup>3</sup>[x x x]<sup>3</sup>]<sup>2</sup>, in the case of a cinematograph show of a film other than a Kannada, Kodava, Konkani <sup>4</sup>[Tulu or Banjara film]<sup>4</sup> which has secured, after the first day of April, 1981, <sup>5</sup>[a best feature film award]<sup>5</sup> granted by the Central Government or any State Government or an internationally recognised award notified by the State Government, no entertainments tax shall be payable for a period

of six months from such date as may be specified by the State Government.]<sup>1</sup>

1. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.
2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.
3. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.
4. Substituted by Act 26 of 2000 w.e.f. 14.8.2000.
5. Substituted by Act 17 of 1988 w.e.f. 14.9.1988.

<sup>1</sup>[**Explanation.**- x x x]<sup>1</sup>

1. Substituted by Act 2 of 1983 and omitted by Act 6 of 1995 w.e.f. 27.9.1994.

<sup>1</sup>[**Explanation.**- x x x]<sup>1</sup>

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 and omitted by Act 18 of 1997 w.e.f. 20.9.1997.

<sup>1</sup>**4. Additional Tax on cinematograph shows.**- <sup>2</sup><sup>3</sup>[(1)]<sup>3</sup> In the case of cinematograph shows, in addition to the tax leviable under <sup>4</sup>[Sections 3 and 3-A]<sup>4</sup> or the tax leviable under Section 4-A, there shall be levied and paid to the State Government a tax calculated at the following rates, namely:—

**TABLE**

<i>Sl. No.</i>	<i>Payment for admission (excluding entertainment tax) of a person to the highest class of seat or accommodation</i>	<i>Rate of tax per show</i>
a.	does not exceed five rupees	<sup>5</sup> [Forty three rupees] <sup>5</sup>
b.	exceeds five rupees but does not exceed fifteen rupees	<sup>5</sup> [Fifty Five rupees] <sup>5</sup>
c.	exceeds fifteen rupees but does not exceed twenty rupees	<sup>5</sup> [Sixty Eight rupees] <sup>5</sup>
d.	exceeds twenty rupees	<sup>5</sup> [One Hundred and Eighteen rupees] <sup>5</sup>

Provided that in the case of a cinematograph show of Kannada, Kodava, Konkani or Tulu film, in addition to tax leviable under <sup>4</sup>[Sections 3 and 3-A]<sup>4</sup> the tax payable under this sub-section shall be at the following rates, namely:—

<i>Sl. No.</i>	<i>Payment for admission (excluding entertainment tax) of a person to the highest class of seat or accommodation</i>	<i>Rate of tax per show</i>
a.	does not exceed five rupees	<sup>5</sup> [Eighteen rupees] <sup>5</sup>
b.	exceeds five rupees but does not	<sup>5</sup> [Thirty rupees] <sup>5</sup>

- exceed fifteen rupees
- c. exceeds fifteen rupees but does not exceed twenty rupees <sup>5</sup>[Thirty Eight rupees]<sup>5</sup>
- d. exceeds twenty rupees <sup>5</sup>[Forty Eight rupees]<sup>5</sup>

Provided further that in respect of cinema theatres paying tax in the manner specified in section 4-A, the tax under this section shall be paid at the following rates, namely:—

Sl. No.	Total Payment for admission of a person to the highest class of seat or accommodation	Rate of tax per show
a)	does not exceed eight rupees	<sup>5</sup> [Forty rupees] <sup>5</sup>
b)	exceeds eight rupees but does not exceed fifteen rupees	<sup>5</sup> [Forty Five rupees] <sup>5</sup>
c)	exceeds fifteen rupees	<sup>5</sup> [Fifty rupees] <sup>5</sup>

Provided also that in respect of cinema theatres paying tax in the manner specified in section 4-A, the tax payable under this sub-section in respect of cinematograph show of a Kannada, Kodava, Konkani or Tulu film shall be at the following rates, namely:—

Sl. No.	Total Payment for admission of a person to the highest class of seat or accommodation	Rate of tax per show
a)	does not exceed eight rupees	<sup>5</sup> [Thirteen rupees] <sup>5</sup>
b)	exceeds eight rupees but does not exceed fifteen rupees	<sup>5</sup> [Twenty Five rupees] <sup>5</sup>
c)	exceeds fifteen rupees	<sup>5</sup> [Thirty Eight rupees] <sup>2</sup>

1. Substituted by Act 13 of 1982 w.e.f. 1.7.1982.

2. Substituted by Act 20 of 1998 w.e.f. 1.4.1998.

3. Renumbered by Act 22 of 1985 w.e.f. 15.2.1986.

4. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

5. Substituted by Act 26 of 2004 w.e.f. 19.6.2003 and again Substituted by Act 11 of 2005 w.e.f. 1.4.2005.

<sup>1</sup>[(2) No proprietor of a cinema theatre shall collect or cause to be collected the tax payable under sub-section (1) from the persons admitted to the cinema theatre for the entertainment.]<sup>1</sup>

1. Inserted by Act 22 of 1985 w.e.f. 15.2.1986.

<sup>1</sup>[(3) Notwithstanding anything contained in sub-section (1), no show tax shall be payable in respect of a cinematograph show of a Kannada, Kodava, Konkani or Tulu film screened in theatres situated within the limits of any local authority <sup>2</sup>[(but excluding a cantonment board)]<sup>2</sup> <sup>3</sup>[or town or village]<sup>3</sup> having a population not exceeding fifteen thousand.]<sup>1</sup>

1. Inserted by Act 2 of 1988 w.e.f. 12.9.1987.

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

3. Inserted by Act 7 of 1990 w.e.f. 1.4.1987.

<sup>1</sup>**4A. Tax on cinematograph shows in certain places.-** (1) In lieu of entertainment tax <sup>2</sup>[x x x]<sup>2</sup> payable under sub-section (1) of <sup>4</sup>[Sections 3 and 3-A]<sup>4</sup> <sup>2</sup>[x x x]<sup>2</sup>, in the case of cinematograph shows held in cinema theatres situated within the limits of a local authority <sup>3</sup>[(but excluding a cantonment board)]<sup>3</sup> whose population does not exceed seventy five thousand specified in column (2) of the table below, the proprietor may, at his option and subject to such conditions, as may be prescribed, pay the amount of tax as specified in column (3) thereof,—

1. Inserted by Act 16 of 1977 and substituted by Act 7 of 1997 w.e.f. 1.4.1997.

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

3. Inserted by Act 5 of 2001 w.e.f. 1.4.2001.

4. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.

<sup>1</sup>**[TABLE**

Sl. No.	Local authority population of which	Rate of tax
1	2	3
(a)	does not exceed twenty-five thousand	<sup>2</sup> [Five per cent] <sup>2</sup> of the gross collection capacity.
(b)	exceeds twenty-five thousand but does not exceed fifty thousand	<sup>2</sup> [Ten per cent] <sup>2</sup> of the gross collection capacity.
(c)	exceeds fifty thousand but does not exceed seventy five thousand	<sup>2</sup> [Fifteen per cent] <sup>2</sup> of the gross collection capacity.] <sup>1</sup>

1. Substituted by Act 18 of 1997 w.e.f. 20.9.1997.

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

**Explanation.-** For the purpose of this section, gross collection capacity shall mean the notional aggregate of all payments for admission the proprietor would realise per show if all the seats or accommodation as

determined by the licensing authority under the Karnataka Cinemas (Regulation) Act, 1964, in respect of the place of entertainment are occupied and collected at the maximum rate of payment for admission for each class as determined in this behalf by the prescribed authority:

<sup>1</sup>[Provided that no tax shall be levied under this sub-section on a cinematograph show of a Kannada, Kodava, Konkani or Tulu film which is not a dubbed version of a film of other language, subject to production of a certificate by the proprietor, as may be prescribed .]<sup>1</sup>

1. Substituted by Act 6 of 2008 w.e.f. 1.8.2008.

(2) After the determination of the gross collection capacity of a cinema theatre, no change or modification either in the number of seats or accommodation or in the rates of payment for admission to such theatre shall be made, unless the proprietor has given fifteen days notice thereof to the prescribed authority and, until the gross collection capacity is redetermined, the proprietor shall pay the tax as previously fixed.

(3) No proprietor of a cinema theatre to which sub-section (1) is applicable, shall collect or cause to be collected any amount either by way of tax or otherwise in excess of the payment for admission taken into consideration for calculating the gross collection capacity of such theatre.

(4) (a) Notwithstanding anything in this section, where a cinematograph film is allowed exemption from payment of tax under sub-section (1), the rates of payment for admission shall be reduced in respect of each admission to the extent of the tax exempted in respect of such payment. Where a proprietor does not reduce the rates of payment for admission, he shall, in addition to any other penalty under this Act, be liable to pay tax as if no exemption from the payment of tax was made under sub-section (1).

(b) Notwithstanding the reduction in the rates of payment of admission under clause (a), the gross collection capacity for the purpose of payment of tax under sub-section (1) shall remain unaltered.

(5) It shall be presumed that the proprietor of an entertainment has conducted all the shows permitted to be conducted by him under the Karnataka Cinemas (Regulation) Act, 1964, unless he produces along with his return, a certificate in the prescribed form, obtained from the prescribed authority that any such show has not been conducted, and for this purpose the prescribed authority shall issue the certificate, after such enquiry as it

deems fit, within ten days from the date of receipt of the application in this behalf.

(6) The option permitted under this section shall continue to be in force till the end of the financial year in which such option is permitted.]<sup>1</sup>

<sup>1</sup>[**4-AA. Collection of Service Charges.**- Every proprietor of a cinema theatre paying tax on cinematograph show under Section 3-A or 4-A, subject to such rules as may be prescribed, may collect as service charges, an amount not exceeding the amount specified in the table below, on each payment for admission to any class, namely:-

**TABLE**

Sl. No.	Classification of Theatres	Amount
1	2	3
(a)	Air-conditioned and Air-cooled Theatres	Upto a maximum of <sup>2</sup> [three rupees] <sup>2</sup> on each payment for admission.
(b)	Other Theatres but excluding Touring Talkies	Upto a maximum of <sup>2</sup> [two rupees] <sup>2</sup> on each payment for admission.

Provided that the collection of amount under this section by the proprietor of any theatre existing on the date of coming into force of this Section, shall be in addition to the payment for admission prevalent immediately before such commencement.]<sup>1</sup>

1. Section 4AA inserted by Act 25 of 2005 w.e.f. 24.8.2005.

2. Substituted by the Act 53 of 2013. W.e.f 01.08.2013

<sup>1</sup>[**4B. Special provision in respect of video shows.**- (1) In lieu of the tax payable under <sup>4</sup>[sections 3 and 3-A]<sup>4</sup>, <sup>2</sup>[x x x]<sup>2</sup> <sup>3</sup>[or 4]<sup>3</sup>, subject to such rules as may be prescribed, in the case of video shows, there shall be levied and paid entertainments tax <sup>5</sup>[at the following rates:

1	2	3
(i)	Within the limits of City Municipal Corporations constituted under the Karnataka Municipal Corporations Act, 1976 and Cantonment Boards	Rs.15,000/- per month
(ii)	Within the limits of All Municipal Councils constituted under the Karnataka Municipalities Act, 1964	Rs.7,500/- per month

(iii)	Places other than (i) and (ii) above	Rs.5,000/- per month] <sup>5</sup>
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Provided that if the proprietor conducting the video shows has conducted no show on any day or days during a month, proportionate amount of tax paid in respect of such day or days shall be refunded to him:

Provided further that it shall be presumed that the proprietor conducting video shows has conducted shows on all the days of a month unless he produces a certificate in the prescribed form, from the prescribed authority that no show was conducted on any day or days, and for this purpose, the prescribed authority shall issue the certificate, after such enquiry as deemed fit within ten days from the date of receipt of the application in this behalf.]<sup>1</sup>

1. Inserted by Act 3 of 1985 and substituted by Act 7 of 1990 w.e.f. 1.4.1990.
2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.
3. Substituted by Act 25 of 1994 w.e.f. 27.9.1994.
4. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.
5. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

**<sup>1</sup>[4C. Special provision in respect of certain entertainments.-** Notwithstanding anything contained in <sup>2</sup>[sections 3 and 3-A]<sup>2</sup>, <sup>3</sup>[x x x]<sup>3</sup>, <sup>4</sup>[xxx]<sup>4</sup> <sup>5</sup>[4-B or 4-G]<sup>5</sup> and subject to such rules as may be prescribed, there shall be levied and paid entertainments tax at the following rates in the case of entertainment provided with the aid of antennae or cable television to a connection holder on payment of any contribution or subscription or installation and connection charges or any other charges collected in any manner whatsoever namely:—

- |   |  |
|---|--|
| i) Providing entertainment through antennae and cable Television or antennae. | Twenty Rupees per month per connection.  |
| ii) Providing entertainment through cable Television exclusively.             | Fifteen Rupees per month per connection. |

Provided that no tax shall be payable under this section, if the period of connection provided to a connection holder any month is less than fifteen days]<sup>1</sup>

<sup>6</sup>[Provided further that no tax shall be payable under this section, if the proprietor is providing television signals under the Direct To Home scheme:

Provided also that subject to such conditions as may be prescribed, no tax shall be payable under this section, if the proprietor is receiving television signals from a Multi System Operator paying tax under section 4-G.”;

**Explanation.-** (1)A Multi System Operator providing entertainment through antennae or Cable Television directly to subscribers apart from providing satellite television signals to another proprietor, shall be liable to pay tax under this section in addition to his liability to pay tax under section 4-G.

**Explanation.-**(2)A proprietor being a Direct To Home service provider providing entertainment through antennae or Cable Television directly to subscribers apart from providing satellite television signals under the Direct To Home scheme, shall be liable to pay tax under this section in addition to payment of any tax liability under section 4-G.]<sup>6</sup>

1. Inserted by Act 11 of 1993 w.e.f. 1.4.1993.
2. Substituted by Act 7 of 2003 w.e.f. 1.4.2003.
3. Omitted by Act 8 of 1997 w.e.f. 20.9.1997.
4. Omitted by Act 25 of 1994 w.e.f. 27.9.1994.
5. Substituted by Act 5 of 2006 w.e.f. 1.4.2006.
6. Inserted by Act 5 of 2006 w.e.f. 1.4.2006.

<sup>1</sup>[4D. **Composition of tax payable under section 4C.-** In lieu of the tax payable under section 4C <sup>2</sup>[any proprietor other than a Multi System Operator or a Direct To Home service provider, may]<sup>2</sup>, at his option and subject to such condition and in such manner as may be prescribed pay a tax with respect to the entertainment provided at the places specified in column (2) of the table below at the rates specified in column (3) thereof.

**TABLE**

<i>Sl.No.</i>	<i>Places</i>	<i>Amount of tax</i>
(1)	(2)	(3)
1.	Bangalore City Municipal Corporation	<sup>3</sup> [Rupees Six thousand Five hundred per month.] <sup>3</sup>
2.	City Municipal Corporations (other than Bangalore City Municipal Corporation); and Cantonment Board	<sup>3</sup> [Rupees Three thousand per month.] <sup>3</sup>
3.	Places other than those at Sl.No. (1) & (2); City, Town or village;	
(a)	population of which is more than 25,000	<sup>4</sup> [Rupees one thousand five hundred per month.] <sup>4</sup>
(b)	population is less than 25,000	<sup>4</sup> [Rupees six hundred per month.] <sup>4</sup> <sup>1</sup>

1. Section 4D inserted by Act 6 of 1995 w.e.f. 1.4.1995.
2. Substituted by Act 5 of 2006 w.e.f. 1.4.2006.
3. Substituted by Act 5 of 2001 and again substituted by Act 7 of 2003 w.e.f. 1.4.2003.  
Again Substituted by Act 26 of 2004 w.e.f. 19.06.2003
4. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

<sup>1</sup>**4E. Tax on amusement-** There shall be levied and collected a tax calculated at the rate of <sup>2</sup>[five per cent]<sup>2</sup> on each payment for admission to <sup>3</sup>[or participation in]<sup>3</sup> an amusement. The tax so levied shall be paid by the proprietor.

<sup>4</sup>[Provided that no tax shall be levied where the payment for admission excluding the amount of tax, is less than fifty rupees.]<sup>4</sup>

1. Sections 4E, 4F and 4G inserted by Act 5 of 2002 w.e.f. 1.4.2002.
2. Substituted by Act 25 of 2007 w.e.f. 28.8.2007.
3. Substituted by Act 5 of 2006 w.e.f. 1.4.2006.
4. Inserted by Act 7 of 2003 w.e.f. 1.4.2002.

**4F. Tax on recreation parlours-** There shall be levied and collected a tax calculated at the rate of twenty per cent on each payment for admission to <sup>1</sup>[or participation in]<sup>1</sup> recreation parlour. The tax so levied shall be paid by the proprietor.

<sup>2</sup>[Provided that no tax shall be levied where the payment for admission excluding the amount of tax, is less than fifty rupees.]<sup>2</sup>

1. Inserted by Act 7 of 2003 w.e.f. 1.10.1957.
2. Substituted by Act 5 of 2006 w.e.f. 1.4.2006.

**4G. Tax on Multi System operator <sup>1</sup>[and Direct To Home service provider]<sup>1</sup>-** Notwithstanding anything contained in sections 4C and 4D, there shall be levied and collected a tax at the rate of <sup>4</sup>[<sup>2</sup>[ten per cent]<sup>2</sup>]<sup>4</sup> on the amounts received <sup>3</sup>[or receivable]<sup>3</sup> by a Multi System Operator towards distributing satellite television signals, communication network, including production and transmission of programmes and packages <sup>1</sup>[and by a Direct To Home service provider towards providing television signals under the Direct To Home scheme]<sup>1</sup>

1. Inserted by Act 5 of 2006 w.e.f. 1.4.2006.
2. Substituted by Act 5 of 2007 w.e.f. 1.4.2007.
3. Inserted by Act 7 of 2009 w.e.f. 1.4.2009.
4. Substituted by Act 05 of 2016 w.e.f. 01.04.2016.

<sup>1</sup>[Provided that no tax shall be levied under this section for the period from the 1<sup>st</sup> day of April, 2002 to 31<sup>st</sup> day of March, 2006.]<sup>1</sup>

1. Inserted by Act 5 of 2006 w.e.f. 1.4.2002.

<sup>1</sup>**5. Admission to entertainments.-** Save as otherwise provided in this Act, no person other than a person who has to perform any duty in connection with an entertainment or any duty imposed upon him by or under this Act or any other law shall be admitted to an entertainment unless the proprietor has with the previous approval of the State Government, <sup>2</sup>[or the Commissioner or any officer authorised by the State Government or the Commissioner]<sup>2</sup> made arrangements for furnishing returns of the payments for admission to the entertainment, given such security for the payment of the entertainments tax, and in such manner, <sup>3</sup>[as may be prescribed or specified by the State Government]<sup>3</sup>:

Provided that with the previous approval of the State Government, <sup>2</sup>[or the Commissioner or any officer authorised by the State Government or the Commissioner]<sup>2</sup> persons may be admitted for payment to an entertainment or a series of entertainments through a barrier or by means of a mechanical contrivance which automatically registers the number of persons admitted.]<sup>1</sup>

1. Inserted by Act 6 of 1995 w.e.f. 1.4.1995.

2. Inserted by Act 15 of 2011 w.e.f.1.4.2011.

3. Substituted by Act 15 of 2011 w.e.f.1.4.2011.

**6. Manner of payment of tax.-** <sup>1</sup>[(1) <sup>2</sup>[Save as otherwise provided in <sup>3</sup>[<sup>4</sup>[sections <sup>5</sup>[x x x]<sup>5</sup> 4A]<sup>4</sup> or 4B]<sup>3</sup>]<sup>2</sup>The entertainments tax shall be levied in respect of each <sup>3</sup>[payment for admission or each admission]<sup>3</sup> on a complimentary ticket <sup>6</sup>[or pass or invitation]<sup>6</sup> and shall be calculated and paid on the number of admissions.

**Explanation.-** At any time during an entertainment any person or persons found inside the auditorium or place of entertainment without a valid ticket or complimentary ticket <sup>6</sup>[or pass or invitation]<sup>6</sup> shall be deemed to have been admitted by the proprietor for payment.

(2) The entertainments tax shall be due and be recoverable from the proprietor.]<sup>1</sup>

1. Sub-sections (1) and (2) Substituted by Act 14 of 1966 w.e.f. 16.5.1966.

2. Inserted by Act 16 of 1977 w.e.f. 1.4.1979.

3. Substituted by Act 3 of 1985 w.e.f. 10.1.1985.

4. Substituted by Act 25 of 1994 w.e.f. 27.9.1994.

5. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

6. Inserted by Act 5 of 2001 w.e.f. 1.4.2001

<sup>1</sup>[(3) Where the payment for admission to an entertainment is made wholly or partly by means of a lumpsum paid as a subscription or contribution or sponsorship fee or advertisement charges or by whatever name called to any institution or any other person, for a season ticket or for the right of admission to a series of entertainments or to any entertainment during a certain period of time, the entertainments tax shall be paid on the amount of the lumpsum, but where the <sup>2</sup>[such authority as may be prescribed]<sup>2</sup> is of opinion that the payment of a lumpsum or any payment for a ticket represents payment for other privileges, rights or purposes besides the admission to an entertainment, or covers admission to an entertainment during any period during which tax has not been in operation, the tax shall be levied on such an amount as appears to the <sup>2</sup>[such authority as may be prescribed]<sup>2</sup> to represent the right of admission to entertainments in respect of which the entertainments tax is payable.]<sup>1</sup>

<sup>3</sup>[Proviso x x x]<sup>3</sup>

1. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.
2. Substituted by Act 5 of 2007 w.e.f. 1.4.2007.
3. Inserted by Act 9 of 1983 w.e.f. 1.4.1983 and omitted by Act 9 of 1984 w.e.f. 1.4.1984.

<sup>1</sup>**6A.** <sup>4</sup>[**Submission of returns and furnishing of information**]<sup>4</sup>.- (1) Every proprietor of an entertainment shall submit such returns relating to complimentary tickets and to payments for admissions, to such authority, in such manner and within such periods, as may be prescribed:

<sup>2</sup>[Provided that in respect of an entertainment which is a single event or which is held for a duration less than a week, the proprietor shall submit such return, as may be prescribed, forthwith upon conclusion of such entertainment.]<sup>2</sup>

<sup>3</sup>[Provided further that the specified class of proprietors of entertainments as may be notified by the Commissioner shall submit the return in the prescribed form, electronically through internet in the manner specified in the said notification.]<sup>3</sup>

1. Sections 6A and 6B inserted by Act 14 of 1966 w.e.f. 16.5.1966.
2. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.
3. Inserted by Act 5 of 2010 w.e.f. 1.4.2010.
4. Substituted by Act 15 of 2011 w.e.f. 1.4.2011.

<sup>1</sup>[(1A) Before any proprietor submits the returns required by sub-section (1), he shall, in the prescribed manner, pay into a Government Treasury the full amount of tax, <sup>2</sup>[x x x]<sup>2</sup> and additional tax or other taxes, if any, payable by him on the basis of such returns and shall along with the return furnish a receipt from the Treasury evidencing such payment.]<sup>1</sup>

<sup>2</sup>[Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax payable on the basis of the return under sub-section (1), by electronic remittance through internet in the manner specified in the said notification.]<sup>2</sup>

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976
2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.
3. Inserted by Act 5 of 2010 w.e.f. 1.4.2010.

<sup>1</sup>[(1-B) Every proprietor of a cinema theatre belonging to a specified class as may be notified by the Commissioner shall enter in the website, particulars of each cinematograph show within such time as may be specified in the notification.]<sup>1</sup>

1. Inserted by Act 15 of 2011 w.e.f. 1.4.2011.

<sup>2</sup><sup>1</sup>[(2) Every proprietor shall be deemed to have been assessed to tax based on the return submitted by him under sub-section (1), except in cases where the Commissioner may notify the requirement of production of accounts by the proprietor before the prescribed authority within a period of six months from the date of submitting the return, in support of a return submitted for any period and such authority shall proceed to assess such proprietor,-

- (a) on the basis of the return submitted where it is satisfied the return submitted is correct and complete, or
- (b) to the best of its judgment, where the return submitted appears to be incorrect or incomplete, after giving the proprietor a reasonable opportunity of showing cause against such assessment in writing.

Provided that nothing in this sub-section shall apply to a return submitted for any prescribed period upto the period ending 31<sup>st</sup> March, 2012.]<sup>1</sup><sup>2</sup>

1. Substituted by Act 36 of 1976 w.e.f. 1.4.1976
2. Substituted by Act 18 of 2012 w.e.f. 1.4.2012

(3) If no return is submitted by the proprietor of the entertainment under sub-section (1) before the date prescribed or if the return submitted by him appears to the prescribed authority to be incorrect or incomplete, the prescribed authority shall, after making such enquiry as it considers necessary, determine the tax due under <sup>1</sup>[<sup>2</sup>sections 3, 3A, <sup>3</sup>[x x x]<sup>3</sup> <sup>4</sup>[4, 4A, 4B, <sup>5</sup>[4C]<sup>4</sup> <sup>6</sup>[4D, 4E, 4F and 4G]<sup>6</sup> ]<sup>5</sup> ]<sup>1</sup>, and assess the proprietor to the best of its judgment:

1. Substituted by Act 36 of 1976 w.e.f. 1.4.1976.
2. Substituted by Act 25 of 1994 w.e.f. 27.9.1994.
3. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.
4. Substituted by Act 7 of 1997 w.e.f. 27.9.1994.
5. Substituted by Act 7 of 1997 w.e.f. 1.4.1995.
6. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

Provided that before taking action under this sub-section, the proprietor shall be given a reasonable opportunity of proving the correctness and completeness of any return submitted by him or that no return was due from him.

<sup>1</sup>[(4) In making an assessment under sub-section (3), if the prescribed authority is satisfied that the correct amount of tax payable under sub-section (1-A) was not paid by the proprietor either due to willful mis-statement or suppression of facts, it may direct the proprietor to pay, in addition to the tax assessed, a penalty,-

- (i) equal to the amount of difference between the tax assessed and the tax paid under sub-section (1-A), where such assessment is made for the first time in any financial year; and
- (ii) equal to double the amount of difference between the tax assessed and the tax paid under sub-section (1-A), while making any subsequent assessment during such financial year.]<sup>1</sup>

1. Inserted by Act 16 of 1977 w.e.f. 1.4.1979 and Substituted by Act 11 of 2005 w.e.f. 1.4.2005.

<sup>1</sup>[(5) No assessment under this section for any prescribed period shall be made after a period of one year on the date on which the return under sub-section (1) for that prescribed period is submitted by a proprietor.

Provided that the assessment proceedings relating to any prescribed period ending before the commencement of the Karnataka Taxation Laws (Amendment) Act, 2009 in respect of which a return under sub-section (1) has been submitted before such commencement, shall be completed within a period of one year on the date of such commencement:

Provided further that the Commissioner may direct assessment of cases on random basis.

Provided also that nothing in this sub-section limiting the time within which assessment may be made, shall apply to an assessment made in consequence of, or to give effect to, any findings, directions or orders made under section 8-B, 8-C, 8-D or 8-E or any judgment or order made by any Court.

<sup>1</sup>[Provided also that nothing in this sub-section shall apply to a return submitted for any prescribed period commencing after 1<sup>st</sup> April, 2012. ;]<sup>1</sup>

1. Inserted by Act 18 of 2012 w.e.f. 1.4.2012.

(6) In computing the period of limitation for assessment under this section,-

(a) the time during which the proceedings for assessment in question have been deferred on account of any stay order granted by any Court or any other authority shall be excluded;

(b) the time during which the assessment has been deferred in any case or clause of cases by the Joint Commissioner for reasons to be recorded in writing shall be excluded.

(7) Where an assessment under this section is not concluded within the time specified in sub-section (5), the complimentary tickets and payment for admissions declared by a proprietor in his return shall be deemed to have been assessed for that prescribed period on the basis of said return and provisions of this Act relating to assessment of escaped complimentary ticket or payment for admission to any entertainment, payment and recovery, appeal and revision shall *mutatis mutandis* apply to such deemed assessment.

(8) Notwithstanding anything contained in this section, the Government may notify, subject to such conditions as may be specified, that assessment of any specified class of proprietors for any prescribed period shall be deemed to have been made on the basis of the return submitted under sub-section (1) without requiring presence of the proprietor or production of accounts and other documents by the proprietor. ;]<sup>1</sup>

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

**6B. Payment for admission, etc., escaping assessment.-** (1) Where, for any reason,—

- (i) any complimentary ticket or any payment for admission to any entertainment has escaped assessment to tax under section 3 or section 3-A <sup>1</sup>[x x x] <sup>2</sup>[or section 3B] <sup>3</sup>[section 4A or section 4B or section 4C] <sup>4</sup>[section 4D, section 4E and section 4F] <sup>4</sup>; or

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976 and Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

2. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.

3. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.

4. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

- (ii) any cinematograph show has escaped assessment to tax under <sup>1</sup>[section 4 or section 4A] <sup>1</sup>, <sup>2</sup>[section 4B or section 4C] <sup>2</sup> <sup>3</sup>[and section 4D] <sup>3</sup>; or

1. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

2. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.

3. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

- <sup>1</sup>[(iia) any tax payable under section 4G has escaped assessment to tax] <sup>1</sup>;

1. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.

- (iii) such ticket, payment or show has been assessed at a rate lower than the rate at which it is assessable under section 3 or section 3-A <sup>1</sup>[x x x] <sup>1</sup> <sup>2</sup>[or section 3B] <sup>2</sup> or <sup>5</sup>[section 4 or section 4A] <sup>5</sup> <sup>3</sup>[section 4B or section 4C] <sup>3</sup> <sup>4</sup>[or section 4D or section 4E or section 4F or section 4G] <sup>4</sup>,

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976 and Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

2. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.

3. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.

4. Substituted by Act 5 of 2002 w.e.f. 1.4.2002.

the authority prescribed under sub-section (1) of section 6A may, subject to the provisions of sub-section (2) and at any time within such period as may be prescribed, <sup>5</sup>[assess or re-assess, to the best of its judgment, the tax due on such ticket, payment or show under section 3 or section 3A <sup>1</sup>[x x x] <sup>1</sup> <sup>2</sup>[or section 3B] <sup>2</sup> or section 4 or section 4A] <sup>5</sup> <sup>3</sup>[or section 4B or section 4C] <sup>3</sup> or section 4D <sup>4</sup>[or section 4E or section 4F or section 4G] <sup>4</sup>, as the case may be, after service of notice on the proprietor and after making such enquiry as it may consider necessary.

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976 and Omitted by Act 13 of 1982 w.e.f. 1.7.1982.
2. Inserted by Act 25 of 1994 w.e.f. 27.9.1994.
3. Inserted by Act 7 of 1997 w.e.f. 27.9.1994.
4. Inserted by Act 5 of 2002 w.e.f. 1.4.2002.
5. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

(2) In making an assessment or re-assessment under sub-section (1), the authority prescribed under sub-section (1) of section 6-A may, if it is satisfied that due to wilful mis-statement or suppression of facts by the proprietor, the tax has not been levied or has been levied at a rate lower than the rate at which it is leviable, direct the proprietor to pay, in addition to the tax assessed or re-assessed under sub-section (1), a penalty <sup>1</sup>[not less than a sum equal to but]<sup>1</sup> not exceeding <sup>2</sup>[thrice]<sup>2</sup> the tax so assessed or re-assessed:

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

1. Inserted by Act 9 of 1984 w.e.f. 1.4.1984.
2. Substituted by Act 36 of 1976 w.e.f. 1.4.1976.

(3) The powers under sub-section (1) may be exercised by the authority prescribed under sub-section (1) of section 6-A even though the original order of assessment, if any, passed in the matter has been the subject matter of an appeal or revision.

(4) In computing the period of limitation for assessment or re-assessment under this section, the time during which the proceedings for assessment or re-assessment remained stayed under the orders of a civil court or other competent authority shall be excluded.]<sup>1</sup>

**<sup>1</sup>[6C. Rectification of mistakes.-** (1) With a view to rectifying any mistake apparent from the record, the authority prescribed under sub-section (1) of section 6-A, the appellate authority or the revising authority may, at any time within five 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 proprietor shall not be made unless the authority prescribed under sub-section (1) of section 6-A, the appellate authority, or the revising authority as the case may be, has

given notice to the proprietor of its intention to do so and has allowed the proprietor an opportunity of being heard.

(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.

(3) Where such rectification has the effect of reducing an assessment or penalty, the assessing authority under this Act shall make any refund which may be due to the proprietor.]<sup>1</sup>

1. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.

<sup>1</sup>**[6-D. Issuance of Clearance Certificates to proprietors.-** Where for the purpose of complying with the requirement of any law for the production of a clearance certificate with respect to payment of tax or any other amount under this Act, a proprietor makes an application to the prescribed authority of the area, the prescribed authority shall, if no amount of assessed tax or any other amount under this Act is due by or any tax payable in accordance with the provisions of sub-section (1-A) of Section 6-A is outstanding from such proprietor, issue a clearance certificate in the prescribed form.]<sup>1</sup>

1. Inserted by Act 26 of 2004 w.e.f. 1.8.2004.

<sup>1</sup>**[6-E. Registration of certain proprietors.-** (1) No proprietor of a cinema theatre or a video parlour shall run such cinema theatre or video parlour without registration under this Act.

(2) Every proprietor of a cinema theatre or video parlour liable to pay tax under this Act shall get himself registered by making an application in the prescribed form in such manner as may be prescribed.

Provided that the Commissioner may notify the website in which an application shall be made electronically.

(3) On receipt of an application to register, the prescribed authority shall register any such proprietor and granting him a certificate of registration if he satisfies that he complies with the requirements of this Act with effect from the date of commencement of entertainment.

(4) Every proprietor who is already paying tax under the Act shall be deemed to have been registered under this Act and he shall be granted a certificate of registration without making any application.

(5) The prescribed authority may for good and sufficient reasons, cancel any registration granted, on its own motion or on the application of the proprietor.

Provided that no registration granted shall be cancelled on its own motion without giving a reasonable opportunity to the proprietor]<sup>1</sup>

1. Inserted by Act 18 of 2012 w.e.f. 1.4.2012.

**7. Exemptions.-** <sup>1</sup>[(1) The State Government may, by order, and subject to such conditions as may be specified therein, grant reduction not exceeding fifty per cent of the rate of entertainment tax payable for admission to any entertainment, if the State Government is satisfied that the entire gross proceeds of entertainment after deducting the actual expenses are devoted to philanthropic, religious, charitable or development of recognised game or sport purposes in the State.

<sup>3</sup>[Provided that for development of any <sup>2</sup>[xxx]<sup>2</sup> sport the State Government may grant exemption to a specified event of such sport.]<sup>3</sup>

1. Substituted by Act 4 of 1999 w.e.f. 1.4.1997.

2. Omitted by Act 5 of 2006 w.e.f. 1.4.2006.

3. Inserted by Act 5 of 2001 w.e.f. 1.4.2000.

**Explanation.-** "Charitable Purposes" includes relief to the poor, medical relief, and advancement of education or any other object of public utility not involving the carrying on of any activity for profit so, however, it does not include any purpose the whole or substantially the whole of which is of a religious nature.

(1A) Notwithstanding anything contained in sub-section (1), in respect of a cinematograph show of a film which has been certified by an institution recognised by the State Government as an educational film or a children's film, the State Government may grant exemption or reduction in the rate of entertainment tax payable for any period of time as may be specified.]<sup>1</sup>

<sup>1</sup>[(2) x x x]<sup>1</sup>

1. Omitted by Act 14 of 1966 w.e.f. 16.5.1966.

<sup>1</sup>[(2) An order made under sub-section (1) may be subject to such restrictions and conditions (including a condition that the payment for admission to the entertainments shall not be enhanced) as may be specified in the order.

(3) The State Government may, by order, cancel or vary any order issued under sub-section (1).

(4) If any restriction or condition specified in an order under sub-section (2) is contravened or is not observed, the proprietor shall be liable to the payment of the entertainments tax as if the provisions of the order under sub-section (1) did not apply to the said entertainment.

<sup>2</sup>[(5) If the entertainment is a cinematograph show conducted by a film club or film society satisfying the prescribed conditions and recognised by the Commissioner, exclusively for the benefit of its members and without

deriving any profit, such an entertainment shall be exempt from payment of entertainments tax:

Provided that if the film club or film society is found by the Commissioner to have violated any of the prescribed conditions, such film club or film society shall be liable for the payment of entertainments tax for the show or shows in respect of which such violation takes place.]<sup>2</sup>

<sup>3</sup>[**Explanation.-** x x x]<sup>3</sup><sup>1</sup>

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976.
2. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.
3. Omitted by Act 5 1996 w.e.f. 1.4.1996.

<sup>1</sup>[**Explanation.-** x x x]<sup>1</sup>

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 and omitted by Act 18 of 1997 w.e.f. 20.9.1997.

**1[7A. Power of State Government to exempt or reduce tax.-** (1) The State Government may, by notification, make an exemption of any tax or reduction in the rate of any tax payable under this Act, in respect of entertainments held in newly constructed cinema theatres situate within the limits of any specified local authority or class of local authorities.

(2) Exemption of any tax or reduction in rate of any tax notified under sub-section (1), may be subject to such conditions and restrictions as may be specified in the notification.

(3) The State Government may, by notification, cancel or vary any notification issued under sub-section (1).

(4) If any condition or restriction specified in the notification issued under sub-section (1) is contravened or not observed by a proprietor, the entertainments held in the cinema theatres in respect of which such contravention or non-observance took place, be assessed to tax or taxes, as if the said notification did not apply to such entertainments.]<sup>1</sup>

1. Inserted by Act 15 of 1996 w.e.f. 5.9.1996.

**8. Refunds in certain cases.-** <sup>1</sup>[(1)]<sup>1</sup> Where the State Government is satisfied that the whole of the net proceeds of an entertainment are devoted to philanthropic, religious or charitable purposes, and that in calculating the net proceeds, not more than twenty-five per cent of the gross proceeds have been deducted on account of the expenses of the entertainment, it shall, by order, direct repayment to the proprietor the amount of the entertainments tax paid in respect of the entertainment.

1. Re-numbered by Act 36 of 1976 w.e.f. 1.4.1976.

<sup>1</sup>[(2) Subject to such rules as may be made, where the State Government is satisfied that any performance of a cinematograph show could not be completed on account of failure of electric power or mechanical break down and that the proprietor has returned the payments for admission to the persons admitted to such performance, it may, by order, direct repayment to the proprietor the amount of entertainment tax paid by him in respect of such performance.]<sup>1</sup>

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976

<sup>1</sup>**8A. Rounding off of tax etc.-** The amount of tax in respect of each payment for admission, <sup>2</sup>[x x x]<sup>2</sup> <sup>3</sup>[x x x]<sup>3</sup> fine, penalty, or any other amount payable and the amount of refund due, under the provisions of this Act, shall be rounded off <sup>4</sup>[to the next higher multiple of five paise]<sup>4</sup>.<sup>1</sup>

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976

2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

3. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

4. Substituted by Act 5 of 1981 w.e.f. 4.4.1981.

<sup>1</sup>**8B. Appeals.-** (1) Any person objecting to an order affecting him passed under the provisions of this Act by the prescribed authority may appeal to the <sup>2</sup>[Joint Commissioner]<sup>2</sup> of the jurisdiction.

1. Sections 8B, 8C, 8D and 8E inserted by Act 3 of 1985 w.e.f. 10.1.1985.

2. Substituted by Act 4 of 1999 w.e.f. 1.4.1999

(2) The appeal shall be preferred within thirty days from the date of communication of such order:

Provided that the appellate authority may admit an appeal preferred after the period of thirty days aforesaid if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(3) (a) No appeal against an order shall be entertained by the appellate authority unless it is accompanied by satisfactory proof of payment of tax and penalty not disputed in appeal <sup>1</sup>[and one half of the tax or other amount disputed in appeal].<sup>1</sup>

1. Inserted by Act 6 of 2008 w.e.f. 1.8.2008

(b) Notwithstanding that an appeal has been preferred under sub-section (1), the tax or other amount shall be paid in accordance with the order against which the appeal has been preferred:

<sup>1</sup>[Provided that the appellate authority may, in its discretion, stay payment of the balance half of tax or other amount disputed in appeal, if the appellant furnishes security to its satisfaction in such form and in such manner as may be prescribed.]<sup>1</sup>

1. Substituted by Act 6 of 2008 w.e.f. 1.8.2008

<sup>1</sup>[Provided further that where any application made by an applicant for staying proceedings of recovery of any tax or other amount has not been disposed of by the Appellate Authority within a period of thirty days from the date of such application, it shall be deemed that the Appellate Authority has made an order staying proceedings of recovery of such tax or other amount subject to payment of one half of the tax or other amount disputed and furnishing security to the satisfaction of the assessing authority in regard to the other half of such tax or amount within a further period of fifteen days:

Provided also that where an order staying proceedings of recovery of any tax or other amount is passed under the first proviso, the Appellate Authority shall dispose of the appeal within a period of one hundred twenty days from the date of such order:

Provided also that if such appeal is not so disposed of within the period specified in third proviso, the order of stay shall stand vacated after the expiry of the said period and the Appellate Authority shall not make any further order staying proceedings of recovery of the said tax or other amount.]<sup>1</sup>

1. Inserted by Act 6 of 2008 w.e.f. 1.8.2008.

<sup>1</sup>**[Explanation.-** Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008, shall be subject to clause (a) and the provisos of this sub-section.]<sup>1</sup>

1.Inserted by Act 6 of 2008 w.e.f. 1.8.2008

(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,—

- (i) confirm, reduce, enhance or annul the order;

- (ii) set aside the order and direct the prescribed authority to pass a fresh order after such enquiry as may be directed; or
- (iii) pass such orders as it may think fit.

(6) Appeal petitions pending before the Commercial Tax Officers or the Deputy Commissioner on the date of commencement of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 shall be transferred to the <sup>1</sup>[Deputy Commissioner]<sup>1</sup> of the jurisdiction concerned who shall dispose of such appeals in the same manner as if they were preferred under the provisions of this section.

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

**8C. Revisional Powers of <sup>1</sup>[Joint Commisioners]<sup>1</sup>.** (1) The <sup>2</sup>[Joint Commissioner]<sup>2</sup> may of his own motion call for and examine the records of any order passed or proceedings recorded under the provisions of this Act by the prescribed authority and against which no appeal has been preferred under section 8B, for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceedings in so far as it is prejudicial to the interests of revenue and pass such order with respect thereto as he thinks fit.

1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

<sup>1</sup>[(2) x x x .]<sup>1</sup>

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997 and omitted by Act 5 of 2000 w.e.f. 1.4.2000.

<sup>1</sup>[(3)]<sup>1</sup> In relation to an order passed under this Act, the power under sub-section (1) shall be exercisable only within a period of four years from the date on which the order was passed.

1. Re-numbered by Act 7 of 1997 w.e.f. 1.4.1997.

<sup>1</sup>[(4)]<sup>1</sup> No order shall be passed under sub-section (1) enhancing any assessment, unless an opportunity has given to the assessee to show cause against the proposed enhancement.

1. Re-numbered by Act 7 of 1997 w.e.f. 1.4.1997.

**<sup>1</sup>[8-CC. Revision by the Additional Commissioner.** (1) The Additional Commissioner may on his own motion call for and examine the record of any order passed or proceeding recorded 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 interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the person concerned 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 canceling the assessment or directing a fresh assessment.

(2) The Additional Commissioner shall not exercise any power under sub-section (1), if.-

- (a) the time for appeal against the order has not expired;
- (b) the matter has been subject to an appeal under Section 8-E or a revision in the High Court; or
- (c) more than four years have expired after the passing of the order sought to be revised.

Provided that in the case of an order passed by the Appellate Authority under Section 8-E allowing the appeal preferred in full, the condition specified in clause (a) shall not apply.

(3) Notwithstanding anything contained in sub-section (2), the Additional Commissioner may pass an order under sub-section (1), on any point which has not been raised and decided in an appeal or revision referred to in clause (b) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or revision or before the expiry of a period of four years referred to in clause (c) of that sub-section, whichever is later.

(4) Every order passed in revision under sub-section (1) shall, subject to the provisions of Section 8-D be final.

(5) If the order passed or proceedings recorded by the Additional Commissioner, involves an issue on which the High Court has given its decision adverse to the revenue in some other proceedings and an appeal to the Supreme Court against such decision of the High Court is pending, the period spent between the date of the decision of the High Court and the date of the decision of the Supreme Court shall be excluded in computing the period referred to in clause (c) of sub-section (2).

(6) In computing the period of limitation for the purpose of sub-section (2), any period, during which any proceeding under this Section is stayed by an order or injunction of any court, shall be excluded.

(7) For the purposes of this Section, 'record' shall include all records relating to any proceedings under this Act available at the time of examination by the Additional Commissioner.]<sup>1</sup>

1. Inserted by Act 15 of 2011 w.e.f. 1.4.2011.

**8D. Revision by the Commissioner** <sup>1</sup>[x x x]<sup>1</sup>.- (1) The Commissioner <sup>1</sup>[xxx]<sup>1</sup> may *suo moto* call for and examine any record relating to any order passed or proceedings recorded by any officer under this Act for the

purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceedings in so far as it is prejudicial to the interest of revenue and may, after giving the affected person an opportunity of being heard and after making or causing to be made such enquiry 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 and directing a fresh assessment.

1. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

(2) The power under sub-section (1) shall be exercisable only within a period of five years from the date of the orders ought to be revised was passed.

(3) The revision petitions filed before the Commissioner by the proprietors prior to the commencement of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 shall be decided by him under the provisions which existed prior to the commencement of the said Act.

**8E. Appeal to the Appellate Tribunal.-** (1) Any officer <sup>1</sup>[empowered by the State Government or the Commissioner]<sup>1</sup> in this behalf or any other person objecting to an order passed by the <sup>2</sup>[Joint Commissioner]<sup>2</sup> under section 8B or section 8C may appeal to the Appellate Tribunal constituted under the Karnataka Appellate Tribunal Act, 1976 (Karnataka Act 10 of 1976), within a period of sixty days from the date on which the order was communicated to him.

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

2. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

(2) The Appellate Tribunal may admit an appeal preferred after the period of sixty days referred to in sub-section (1) if it is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(3) The officer authorised under sub-section (1) or the person against whom an appeal has been preferred, on receipt of notice that an appeal against the order of <sup>1</sup>[Joint Commissioner]<sup>1</sup> has been preferred under sub-section (1) by the other party, may, notwithstanding that he has not appealed against such order or any part thereof file within thirty days of the receipt of the notice, a memorandum of cross objections, verified in the prescribed manner, against any part of the order of the <sup>1</sup>[Joint Commissioner]<sup>1</sup>, and such memorandum shall be disposed of by the

Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (1).

1. Substituted by Act 5 of 2000 w.e.f. 1.4.2000.

(4) The appeal or the memorandum of cross objections shall be in the prescribed form, shall be verified in the prescribed manner, and in the case of an appeal preferred by any person other than an officer <sup>1</sup>[empowered by the State Government or the Commissioner]<sup>1</sup> under sub-section (1), shall be accompanied by <sup>2</sup>[proof of payment of one half of tax or other amount disputed and also]<sup>2</sup> a fee equal to two percent of the amount of the assessment objected to, provided that the sum payable shall in no case be less than twenty rupees or more than two hundred rupees.

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

2. Inserted by Act 6 of 2008 w.e.f. 1.8.2008

(5) The Appellate Tribunal shall, after giving both parties to the appeal a reasonable opportunity of being heard, pass such orders thereon as it thinks fit;

Provided that if the appeal involves a question of law on which the Appellate Tribunal has previously given its decision in another appeal and either a petition in the High Court against such decision or an appeal in the Supreme Court against the order of the High Court thereon is pending, the Appellate Tribunal may defer the hearing of the appeal before it, till such petition in the High Court or the appeal in the Supreme Court is disposed of.

<sup>1</sup>[(6) Notwithstanding that an appeal has been preferred under sub-section (1), and notwithstanding anything contained in any other law, tax or any other amount shall be paid in accordance with the assessment or other order made in the case:

Provided that the Appellate Tribunal may, in its discretion, stay payment of balance half of the tax or other amount disputed, if the appellant furnishes sufficient security to its satisfaction in such form and in such manner as may be prescribed:

Provided further, that the Appellate Tribunal shall dispose of such appeal within a period of one hundred eighty days from the date of the order staying proceedings of recovery of such balance half of tax or other amount:

Provided also that if such appeal is not so disposed of within the period specified in second proviso, the order of stay shall stand vacated and the Appellate Tribunal shall not make any further order staying proceedings of recovery of the said tax or other amount.]<sup>1</sup>

1. Substituted by Act 6 of 2008 w.e.f. 1.8.2008.

Provided <sup>1</sup>[also]<sup>1</sup> that if as a result of the appeal any change becomes necessary in such assessment, the Appellate Tribunal may authorise the prescribed authority to amend the assessment, and the prescribed authority shall amend the assessment accordingly and thereupon the amount over-paid by the proprietor 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 this Act, as the case may be.

1. Substituted by Act 6 of 2008 w.e.f. 1.8.2008.

<sup>1</sup>[**Explanation.**- Every appeal filed after the commencement of the Karnataka Taxation Laws (Amendment) Act, 2008 shall be subject to sub-sections (4) and (6).]<sup>1</sup>

1. Inserted by Act 6 of 2008 w.e.f. 1.8.2008.

(7) (a) The Appellate Tribunal may, on the application either of the appellant or of the respondent, review any order passed by it under sub-section (5) on the basis of facts which were not before it when it passed the order:

Provided that no such application shall be preferred more than once in respect of the same order.

(b) The application for review shall be preferred in the prescribed manner within six months from the date on which the order to which the application relates was communicated to the applicant, and where the application is preferred by any person other than an officer <sup>1</sup>[empowered by the State Government or the Commissioner]<sup>1</sup> under sub-section (1), it shall be accompanied by a fee equal to that which had been paid in respect of the appeal:

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

Provided that if the application for review is preferred within ninety days from the date on which the order to which the application relates is

communicated to the applicant, the application shall be accompanied by half the fees which has been paid in respect of the appeal.

(8) With a view to rectifying any mistake apparent from the record, the Appellate Tribunal may, at any time within five years from the date of any order passed by it under sub-section (5) or sub-section (7) amend such order:

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

(9) Except as provided in the rules made under this Act, the Appellate Tribunal shall not have power to award costs to either of the parties to the appeal or review.

(10) Every order passed by the Appellate Tribunal under sub-section (5) or sub-section (7) or sub-section (8) shall be communicated to the appellant, the respondent, the authority on whose order the appeal was preferred and the Commissioner.]<sup>1</sup>

**<sup>1</sup>[8-F. Revision by High Court in certain cases.-** (1) Within one hundred and eighty days from the date on which an order under sub-section (5) or (7) or (8) of Section 8-E 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.

(2) The High Court may admit a petition preferred after the period of one hundred and eighty days aforesaid if it is satisfied that the petitioner has sufficient cause for not preferring the petition within that period.

(3) The petition shall be in the prescribed form, shall be verified in the prescribed manner, and shall, when it is preferred by any person other than an officer empowered by the Government under sub-section (1) of Section 8-E, be accompanied by a fee of one hundred rupees.

(4) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily:

(5) The High Court shall not dismiss any petition unless the petitioner has had a reasonable opportunity of being heard in support thereof.

(6) (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 questions of law raised, the latter shall amend the order passed by it in conformity with such opinion.

(7) Before passing an order under sub-section (6) 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.

(8) 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.

(9) If as a result of the petition, any change becomes necessary in such assessment, the High Court may authorize the prescribed authority to amend the assessment and the prescribed authority shall amend the assessment accordingly and thereupon the amount overpaid by the person concerned shall be refunded to him without interest or the additional amount of tax due from him shall be collected in accordance with provisions of this Act, as the case may be.

(10) (a) The High Court may, on the application of either party to the petition, review any order passed by it under sub-section (6) on the basis of facts which were not before it when it passed the order.

(b) The application for review shall be preferred within such time and in such manner as may be prescribed, and shall where it is preferred by any person other than an officer empowered by the Government under sub-section (1) of Section 8-E be accompanied by a fee of one hundred rupees.

(11) (a) 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 under sub-section (6), amend such order.

(b) The High Court shall not pass an order under this sub-section without giving both parties affected by the order a reasonable opportunity of being heard.

(12) In respect of every petition preferred under sub-section (1) or (10), the costs shall be in the discretion of the High Court.]<sup>1</sup>

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

<sup>1</sup>**[9. Payment and recovery of tax.-** (1) The <sup>2</sup>[tax <sup>3</sup>[x x x]<sup>3</sup> <sup>4</sup>[x x x]<sup>4</sup>]<sup>2</sup> payable under this Act shall be paid in such manner and in such instalments, if any, and within such time, as may be prescribed.

<sup>5</sup>[Provided that the specified class of proprietors of entertainments as may be notified by the Commissioner shall pay the tax or any other amount due under this act, by electronic remittance through internet in the manner specified in the said notification.]<sup>5</sup>

1. Substituted for sections 9 and 9A by Act 36 of 1976 w.e.f. 1.4.1976.

2. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.

3. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.

4. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

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

(2) If default is made in making payment in accordance with sub-section (1),—

(i) the whole of the amount outstanding on the date of default shall become immediately due and shall be a charge on the properties of the proprietor liable to pay such <sup>1</sup>[tax <sup>2</sup>[x x x]<sup>2</sup> <sup>3</sup>[x x x]<sup>3</sup>]<sup>1</sup>; and

1. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.
2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.
3. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

(ii) the proprietor liable to pay such tax under this Act shall be liable to pay an <sup>1</sup>[interest]<sup>1</sup> equal to one and a quarter per cent of the amount of tax remaining unpaid for each month after the expiry of the time prescribed under sub-section (1).

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

**Explanation.-** For the purposes of clause (ii), the <sup>1</sup>[Interest]<sup>1</sup> payable for a part of a month shall be proportionately determined.

1. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

(3) Any amount of <sup>1</sup>[tax <sup>2</sup>[x x x]<sup>2</sup> <sup>3</sup>[x x x]<sup>3</sup>]<sup>1</sup> or any other amount including <sup>4</sup>[Interest]<sup>4</sup>, due under this Act may, without prejudice to any other mode of collection be recovered,—

1. Substituted by Act 16 of 1977 w.e.f. 1.4.1979.
2. Omitted by Act 18 of 1997 w.e.f. 20.9.1997.
3. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.
4. Substituted by Act 5 of 2001 w.e.f. 1.4.2001.

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

<sup>1</sup>[(aa) by attachment and sale or by sale without attachment of any property of such proprietor or any other person by the prescribed authority in accordance with such rules as may be prescribed; or]<sup>1</sup>

1. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

(b) <sup>1</sup>[notwithstanding anything contained in the Code of Criminal Procedure, 1973 (Central Act 2 of 1974), on application to any Magistrate]<sup>1</sup>, by such Magistrate as if it were a fine imposed by him.

1. Substituted by Act 3 of 1979 w.e.f. 19.1.1979.

(4) The High Court may, either *suo-motu* or on any application by the prescribed authority or any person aggrieved by the order, revise any order made by a Magistrate under clause (b) of sub-section (3).]<sup>1</sup>

<sup>1</sup>[9A. Forfeiture of illegal or excess collection of tax.- Where the authority prescribed under sub-section (1) of section 6A is satisfied that any amount by way of, or purporting to be by way of entertainments tax has

been collected from the audience by a proprietor in excess of the rates prescribed under this Act, he shall, by order in writing, forfeit by way of penalty such excess amount illegally collected:

Provided that before taking action, under this section, the proprietor shall be given reasonable opportunity of being heard.

**<sup>1</sup>9AA. Recovery of tax or penalty or any other amount from certain other persons.-** (1) The prescribed authority may at any time or from time to time, by notice in writing (a copy of which shall be forwarded to the proprietor at his last address known to the prescribed authority), require any person from whom money is due or may become due to the proprietor or any person who holds or may subsequently hold money for or on account of the proprietor to pay to the prescribed authority, either forthwith upon the money becoming due or being held at or within the time specified in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due by the proprietor in respect of arrears of tax or penalty or the whole of the money when it is equal to or less than that amount.

(2) The prescribed authority may at any 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 proprietor and the receipt of the prescribed authority shall constitute a good and sufficient discharge of the liability of such person to the extent of the amount referred to in the receipt.

(4) Any person making payment of any amount to the proprietor for discharging any liability after the receipt of the notice referred to in this section shall be personally liable to the prescribed authority to the extent of the liability discharged or to the extent of the liability of the proprietor for the amount due under this Act, whichever is less.

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

(6) Any amount which a person is required to pay to the prescribed authority or for which he is personally liable to the prescribed authority under this section shall, if it remains unpaid, be a charge on the properties of the said person and may be recovered as if it were an arrear of land revenue.

**Explanation I.-** For the purpose of this section, the amount due to a proprietor or money held for or on account of a proprietor by any person shall be computed after taking into account such claims, if any, as may have fallen due for payment by such proprietor to such person and as may be lawfully subsisting.

**Explanation II.-** Notwithstanding anything contained in this Act, for the purpose of this section, the expression "Prescribed Authority" shall include any officer empowered to levy tax or penalty under any of the provisions of this Act or any other officer exercising powers under clause (aa) of sub-section (3) of section 9.

**[9-AAA. Furnishing of return, etc..-**

(1) Every owner or other person in charge of any place of entertainment who is not the proprietor of any entertainment conducted or organized in such place shall submit to the Entertainment Tax Officer having jurisdiction over the area in which the entertainment is conducted a return containing such particulars within such period as may be prescribed.

(2) If any owner or other person in charge of any place of entertainment fails to submit the return in accordance with sub-section (1), such person and the proprietor of the entertainment shall jointly and severally be liable to pay any tax or penalty or any other amount due by the proprietor of the entertainment.]<sup>1</sup>

1. Section 9-AAA inserted by Act 5 of 2001 w.e.f. 1.4.2001.

**9AB. Purchase by the State Government in auction of property.-** (1) When any immovable property is brought for sale by auction for recovery of any dues under this Act, then notwithstanding anything contained in this Act, the Deputy Commissioner of the Revenue District or any officer authorised by the State Government, shall, subject to any general or special order of the State Government in this behalf, be entitled to bid at such auction and purchase the property on account of the State Government.

(2) Where any property is purchased by the State Government under sub-section (1), then, notwithstanding anything in the Karnataka Land

Revenue Act, 1964 or any other law, it shall be lawful for the State Government to dispose of such property in such manner as it deems fit.

(3) The purchase and disposal of the property under this section shall not be questioned in any court of law.]<sup>1</sup>

1. Sections 9AA and 9AB inserted by Act 7 of 1997 w.e.f. 1.4.1997.

**9B. Liability of firms.-** (1) Where any firm is liable to pay entertainments tax under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment.

(2) When a firm liable to pay the entertainments tax is dissolved, the assessment of the entertainments tax shall be made as if no dissolution of the firm had taken place and every person who was, at the time of the dissolution, a partner of the firm and the legal representative of any such person who is deceased, shall be jointly and severally liable to pay the entertainments tax.

**9C. Liability on transfer of business.-** (1) When the ownership of the cinema theatre or other place of entertainment of a proprietor liable to pay entertainments tax under this Act is transferred, the transferor and the transferee shall jointly and severally be liable to pay entertainments tax, in respect of such cinema theatre or place of entertainment, which remain unpaid at the time of transfer and for the purpose of recovery from the transferee, such transferee shall be deemed to be the proprietor liable to pay the entertainments tax due under this Act.

(2) When an undivided Hindu family or Aliyasanthana family liable to pay entertainments tax is partitioned, the assessment of the entertainments tax shall be made as if no partition of the family has taken place and every person who was a member of the family before the partition shall be jointly and severally liable to pay the entertainments tax assessed or imposed.

**Explanation.-** For the purpose of this section and sections 9A and 9B 'entertainments tax' includes <sup>2</sup>[x x x]<sup>2</sup> tax on cinematograph shows, penalty or other amount due under this Act.]<sup>1</sup>

1. Sections 9A, 9B and 9C inserted by Act 3 of 1985 w.e.f. 1.1.1959.

2. Omitted by Act 18 of 1997 w.e.f. 29.9.1997.

<sup>1</sup>**9D. Assessment of legal representatives.-** Where a proprietor dies, his executor, administrator or other legal representative shall be deemed to be the proprietor for the purposes of this Act and the provisions of the Act shall apply to him in respect of the entertainment conducted by the deceased proprietor:

Provided that, in respect of any tax, penalty or fee assessed as payable by any such proprietor or any tax, penalty or fee which would be have been payable by him under this Act if he had not died, the executor, administrator or other legal representative shall be liable only to the extent of the assets of the deceased in his hands.]<sup>1</sup>

1. Section 9D inserted by Act 7 of 1990 w.e.f. 1.4.1990.

**10. Inspection.-** (1) <sup>1</sup>[(a) Officer empowered by the State Government or by the Commissioner in this behalf, may for the purpose of this Act, require any proprietor to produce before him the accounts and other documents and also to furnish any information relating to his business.]<sup>1</sup>

1. Clause (A) inserted by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[(aa)]<sup>1</sup> Any officer authorised by the State Government in this behalf may enter <sup>2</sup>[and if necessary, search]<sup>2</sup> any place of entertainment while the entertainment is proceeding, and any place ordinarily used as a place of entertainment at any reasonable time, for the purpose of satisfying himself whether the provisions of this Act or any rules made thereunder are being complied with.

1. Re-numbered by Act 5 of 2002 w.e.f. 1.4.2002.

2. Inserted by Act 3 of 1985 w.e.f. 10.1.1985.

<sup>1</sup>[<sup>6</sup>(aaa)]<sup>6</sup> If any such officer has reason to suspect that the proprietor is evading or is attempting to evade payment of any tax, surcharge <sup>2</sup>[x x x]<sup>2</sup> payable under this Act, he may, for reasons to be recorded in writing, seize such accounts, registers, ticket books or other documents <sup>3</sup>[or articles]<sup>3</sup> of the proprietor as he may consider necessary and shall give the proprietor <sup>4</sup>[of every entertainment or the owner or person-in-charge of the place of entertainment]<sup>4</sup> a receipt for the same. Thereafter he shall <sup>5</sup>[within sixty days]<sup>5</sup> forward the accounts, registers, ticket books and other documents <sup>3</sup>[or articles]<sup>3</sup> so seized to the prescribed officer concerned who shall retain the same only for so long as may be necessary for their examination and for any enquiry or proceedings under this Act:

Provided that such accounts, registers, ticket books or other documents shall not be retained for more than <sup>5</sup>[ninety days]<sup>5</sup> at a time except with the permission of the <sup>5</sup>[Joint Commissioner.]<sup>5</sup><sup>1</sup>

1. Inserted by Act 36 of 1976 w.e.f. 1.4.1976.

2. Omitted by Act 13 of 1982 w.e.f. 1.7.1982.

3. Inserted by Act 16 of 1977 w.e.f. 1.4.1979.

4. Inserted by Act 7 of 1997 w.e.f. 1.4.1997.

5. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

6. Re-numbered by Act 5 of 2002 w.e.f. 1.4.2002.

<sup>1</sup>[(aaaa) Such officer shall also have the power,-

- (i) to seal any box or receptacle, building or any part of the building in which accounts are suspected to be kept, where the proprietor of any entertainment or the owner or person in charge of the place of entertainment either leaves the premises or is not available or fails or refuses to open any box or receptacle or building or any part of the building when called upon to do so;
- (ii) to break open the box or receptacle, building or part of the building where the proprietor or person in charge or the person in occupation leaves the premises or, after any opportunity having been given to him to do so, fails to open the box or receptacle, building or part of the building, and to prepare a list of the goods and documents found therein.]<sup>1</sup>

1. Inserted by Act 5 of 2005 w.e.f. 1.4.2006.

(b) Every officer so authorised shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

<sup>1</sup>[(c) All searches and seizures under this section shall be made in accordance with the provisions of Code of Criminal Procedure, 1973 (Central Act 2 of 1974).]<sup>1</sup>

1. Inserted by Act 5 of 2005 w.e.f. 1.4.2006.

(2) The proprietor of every entertainment or the owner or person in charge of any place ordinarily used as a place of entertainment shall give every reasonable assistance to the inspecting officer in the performance of his duties under sub-section (1).

(3) If any person prevents or obstructs the entry of the inspecting officer, he shall, in addition to any other punishment to which he is liable under any law for the time being in force, on conviction, be punishable with fine <sup>1</sup>[which shall not be less than five hundred rupees but which may extend to two thousand rupees]<sup>1</sup>.

1. Substituted by Act 3 of 1985 w.e.f. 10.1.1985.

<sup>1</sup>[10-A. XXX]<sup>1</sup>

1. Omitted by Act 15 of 2011 w.e.f. 1.4.2011.

**11. Admission of certain officers without payment.-** The officer referred to in section 10 or any other officer who has to enter any place of entertainment in pursuance of a duty imposed upon him by or under this Act or any other law shall not be required to pay for his admission to the entertainment.

**<sup>1</sup>[12. Penalties.-** <sup>2</sup>[(1) The proprietor of any entertainment or any person employed by him in any place of entertainment who admits any person to any place of entertainment in contravention of the provisions of section 5, shall on conviction be punishable with simple imprisonment for a term which may extend to six months or with fine <sup>3</sup>[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]<sup>3</sup> or both.

1. Substituted by Act 14 of 1966 w.e.f. 16.5.1966.

2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

3. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(1A) Any distributor who contravenes the provisions of section 10-A shall, on conviction be punishable with simple imprisonment for a term which may extend to six months or with fine <sup>1</sup>[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]<sup>1</sup> or with both.

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(1B) The proprietor of any entertainment who fraudulently evades the payment of any tax due under this Act, shall, on conviction, be punishable with simple imprisonment for a term which may extend to six months or with fine <sup>1</sup>[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]<sup>1</sup> or both.

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(1C) The proprietor of any entertainment who contravenes any other provision of this Act, shall on conviction be punishable with simple imprisonment for a term which may extend to six months or with fine <sup>1</sup>[which shall not be less than rupees ten thousand for the first offence and not less than rupees fifteen thousand for the second or subsequent offence during the financial year]<sup>1</sup> or with both.]<sup>2</sup>

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(2) It shall be presumed until the contrary is proved that any person who is found without a ticket in any place of entertainment has been admitted by the proprietor of the entertainment or by the person employed by such proprietor in such place in contravention of the provisions of section 5.]<sup>1</sup>

<sup>1</sup>**12A. Summary disposal of certain cases.-** (1) A court taking cognizance of an offence under sub-clause (ii) of clause (b) of sub-section (1) of section 12 shall state upon the summons to be served on the accused person that he may by a specified date prior to the hearing of the charge, plead guilty to the charge by registered letter and remit to the court such sum not exceeding two hundred rupees as the court may specify.

(2) Where an accused person pleads guilty and remits the sum specified under sub-section (1), the court may proceed to hear and dispose of the case in the absence of the accused, whether or not the prosecutor is also absent in like manner as if both parties had appeared and the accused had pleaded guilty.]<sup>1</sup>

1. Inserted by Act 31 of 1969 w.e.f. 20.11.1969.

**13. Composition of offences.-** The prescribed authority may accept from any person who has committed or is reasonably suspected of having committed an offence against this Act, by way of composition of such offence,—

(a) where the offence consists of the failure to pay, or the evasion of, any tax payable under this Act, in addition to the tax so payable, a sum of money <sup>1</sup>[not less than ten thousand rupees for the first offence and not less than fifteen thousand rupees for any second or subsequent offence during the financial year but not exceeding the double the amount of tax whichever is greater]<sup>1</sup> and

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

(b) in other cases, a sum of money <sup>1</sup>[not less than <sup>2</sup>[two thousand]<sup>2</sup> rupees for the first offence and not less than <sup>2</sup>[five thousand]<sup>2</sup> rupees for any second or subsequent offence during the financial year;]<sup>1</sup>.

1. Substituted by Act 5 of 2001 and again substituted by Act 5 of 2002 w.e.f. 1.4.2002.

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

**14. Bar of certain proceeding.-** (1) No suit, prosecution or other proceeding shall lie against any officer or servant of the State Government

for any act done or purporting to be done under this Act, without the previous sanction of the State Government.

(2) No officer or servant of the State Government shall be liable in respect of any such act in any civil or criminal proceeding, if the act was done in good faith in the course of the execution of duties or the discharge of functions imposed by or under this Act.

**15. Limitation for certain suits and prosecutions.-** No suit shall be instituted against the State Government and no suit, prosecution or other proceeding shall be instituted against any officer or servant of the State Government in respect of any act done or purporting to be done under this Act, unless the suit, prosecution or other proceeding is instituted within six months from the date of the act complained of.

**16. Delegation of certain powers of the State Government.-** (1) The State Government may, by notification delegate all or any of its powers under this Act except those conferred upon it by sub-section (3) of section 1, section 18 and this section, to any person or authority subordinate to the State Government, and may in like manner withdraw any powers so delegated.

(2) The exercise of any powers delegated under sub-section (1) shall be subject to such restrictions, limitations and conditions, if any, as may be laid down by the State Government and shall also be subject to control and revision by it.

<sup>1</sup>[17. x x x]<sup>1</sup>

1. Omitted by Act 7 of 1997 w.e.f. 1.4.1997.

**18. Power to make rules.-** (1) The State Government may, subject to the condition of previous publication, make rules by notification, to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for,—

<sup>1</sup>[(a) x x x]<sup>1</sup>

1. Omitted by Act 14 of 1966 w.e.f. 16.5.1966.

(b) the use of tickets covering the admission of more than one person and the calculation of the tax thereon; and for the payment of the tax on the transfer from one part of a place of entertainment to another, and on payments for seats or other accommodation;

<sup>1</sup>[(bb) determination of gross collection capacity and payment of tax under <sup>2</sup>[section 4A]<sup>2</sup>;]<sup>1</sup>

1. Inserted by Act 16 of 1977 w.e.f. 1.4.1979.

2. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

(c) controlling the use of barriers or mechanical contrivances (including the prevention of the use of the same barrier or mechanical contrivance for payments of a different amount) and for securing proper records of admission by means of barriers or mechanical contrivances;

(d) the checking of admission, the keeping of accounts and the furnishing of returns by the proprietors of entertainments <sup>1</sup>[x x x]<sup>1</sup>;

1. Omitted by Act 14 of 1966 w.e.f. 16.5.1966.

<sup>1</sup>[(e) x x x]<sup>1</sup>

1. Omitted by Act 3 of 1985 w.e.f. 10.1.1985.

(f) the proper maintenance of accounts and submission of returns;

(g) the time and manner of payment and collection of the tax under this Act;

(h) the duties and powers of officers appointed for enforcing the provisions of this Act;

(i) the issue of passes by the proprietors of entertainments for the admission of officers who have to perform any duty imposed upon them by law; and

(j) any other matter for which there is no provision or no sufficient provision in this Act and for which provision is, in the opinion of the State Government, necessary for giving effect to the purposes of this Act.

(3) In making a rule under sub-section (1) or sub-section (2), the State Government may provide that a breach thereof shall be punishable with fine which may extend to <sup>1</sup>[ten thousand rupees]<sup>1</sup>.

1. Substituted by Act 7 of 1997 w.e.f. 1.4.1997.

<sup>1</sup>[(3A) A rule under this Act may be made with retrospective effect and when such rule is made, the reasons for making the rule shall be specified in a statement laid before both Houses of the State Legislature. Subject to any modification made under sub-section (4), every rule made under this Act shall have effect as if enacted in this Act.]<sup>1</sup>

1. Inserted by Act 14 of 1966 w.e.f. 16.5.1966.

(4) All rules made under this section shall be laid as soon as may be after they are 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 sessions and if before the expiry of the said period, either House of the State Legislature makes any modification in the rules or directs that any rule shall not have effect and if the modification or direction is agreed to by the other House, the rules shall thereafter have effect only in such modified form or be of no effect, as the case may be.

**19. Repeal and savings.-** (1) The Bombay Entertainments Duty Act, 1923 (Bombay Act I of 1923), as in force in the '[Belgaum Area]', the Mysore Amusements Tax Act, 1932 (Mysore Act VIII of 1932), as in force in the Mysore Area except Bellary District, the Madras Entertainments Tax Act, 1939 (Madras Act X of 1939), as in force in the Bellary District, the Madras Entertainments Tax Act, 1939 (Madras Act X of 1939), as in force in the '[Mangalore and Kollegal Area]', the Hyderabad Entertainments Tax Act, 1355 Fasli (Hyderabad Act V of 1355 F), the Hyderabad Cinema Shows Tax Act, 1952 (Hyderabad Act XXVI of 1952) and section 114 of the Hyderabad District Municipalities Act, 1956 (Hyderabad Act XVIII of 1956), as in force in the '[Gulbarga Area]', the Mysore Cinematograph Shows Tax Act, 1951 (Mysore Act XVI of 1951), as in force in the Mysore Area and the Coorg Entertainments Tax Act, 1953 (Coorg Act VII of 1953) as in force in the Coorg District and any other provision of law, rule or bye-law in force in any area of the '[State of Karnataka]' imposing a tax on entertainments or amusements whether called a tax on theatres or cinematograph shows or otherwise are hereby repealed:

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

Provided that such repeal shall not affect,—

- (a) the previous operation of the said enactments, laws, rules or bye-laws or anything duly done or suffered thereunder; or
- (b) any right, privilege, obligation or liability (including liability to pay any tax), acquired, accrued or incurred under the said enactments, laws, rules or bye-laws; or
- (c) any penalty, or punishment incurred in respect of any offence committed against the said enactments, laws, rules or bye-laws; or

(d) any investigation, legal proceeding (including proceeding for recovery of any tax) or remedy in respect of any such right, privilege, obligation, liability or punishment as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty or punishment may be imposed as if this Act had not been passed.

(2) Notwithstanding anything contained in sub-section (1), for the purpose of giving effect to the proviso to sub-section (1), the State Government may, by notification make such provision as appears to it to be necessary or expedient,—

(a) for making omissions from, additions to and adaptations and modifications of the rules, notifications and orders issued under the repealed enactments or laws;

(b) for specifying the authority officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactments or laws or any rules, notifications, or orders issued thereunder as may be mentioned in the said notification.

**20. 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 as appear to it to be necessary or expedient for removing the difficulty.

\* \* \* \*

**NOTIFICATIONS****I**

Bangalore, dated 1st January, 1959. [No. RD 95 ENX 58-4]

In exercise of the powers conferred by sub-section (3) of Section 1 of the Mysore Entertainments Tax Act, 1958 (Mysore Act No. 30 of 1958), the Government of Mysore hereby specifies the all the provisions of the said Act (except Section 19) shall come into force from the First day of January, 1959, in all the area of the State other than the areas in which they have come into force under the said sub-section.

By Order and in the name of the Governor of Mysore,  
(K. BALASUBRAMANYAM)  
*Secretary to Government*  
*Revenue Department*

**II**

**Bangalore dated 27th April, 1966 [No. FD 17 CEX 66.]**

**S.O. 4356.**—In exercise of the powers conferred by sub-section (2) of Section 1 of the Mysore Entertainments Tax (Amendment) Act, 1966 (Mysore Act No. 14 of 1966) the Government of Mysore hereby appoints the 16th day of May, 1966, as the date on which the provisions of the said Act shall come into force.

By Order and in the name of the Governor of Mysore,  
(N. J. GOREPEERZADE)  
*Under Secretary to Government*  
*Finance Department*

**III**

**Bangalore, dated 30th November 1971 [No. FD 72 CEX 71]**

**S.O. 2001.**—In exercise of the powers conferred by sub-section (2) of Section 1 of the Mysore Entertainments Tax (Amendment) Act, 1971 (President's Act No. 14 of 1971), the Government of Mysore hereby appoints the first day of December, 1971, as the date on which the said Act shall come into force.

By Order and in the name of the President of India,  
(N. S. BHARATH)  
*Joint Secretary to Government, Finance Department.*

## IV

**Bangalore, dated 26th February, 1979 [No. FD 170 CEX 77]**

In exercise of the powers conferred by sub-section (2) of Section 1 of the Karnataka Entertainments Tax (Amendment) Act 1977 (Karnataka Act No. 16 of 1977) and in super session of the Notification No. FD 170 CEX 77 dated 22nd February 1979, the Government of Karnataka hereby appoints the First day of April 1979 for the purpose of the said sub-section

By Order and in the name of the Governor of Karnataka,  
(L. S. JAGIRDAR)

*Under Secretary to Government, Finance Department. (C.T.)*

## V

**Bangalore, dated 1st April, 1985 [No. FD 7 CEX 85]**

In exercise of the powers conferred by sub-section (2) of section 1 of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 (Karnataka Act 3 of 1985), the Government of Karnataka hereby appoints the first day of April, 1985 as the date on which section 4 of the said Act shall come into force.

By Order and in the name of the Governor of Karnataka,  
(M. R. REWANKAR)

*Under Secretary to Government, Finance Department (CT).*

(Published in Gazette Extraordinary, PART IV—2-C (ii) dated 1.4.1985, No. 185.)

## VI

**Bangalore, dated 7th February, 1986 [No. FD 7 CEX 85]**

**S. O. 296.**—In exercise of the powers conferred by sub-section (2) of Section 1 of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 (Karnataka Act 3 of 1985), the Government of Karnataka hereby specifies that the section 5 of the Karnataka Entertainments Tax (Second Amendment) Act, 1983 (Karnataka Act 3 of 1985) shall come into force on the Fifteenth day of February, 1986.

(Published in Gazette Extraordinary, dated 10.2.1986 in PART IV—2-C (ii), No. 89.)

**VII****Bangalore, dated 7th February, 1986 [No. FD 146 CEX 85]**

In exercise of the powers conferred by sub-section (2) of Section 1 of the Karnataka Entertainments Tax (Amendment) Act, 1985 (Karnataka Act 22 of 1985) the Government of Karnataka hereby specifies that the Karnataka Entertainments Tax (Amendment) Act, 1985 (Karnataka Act 22 of 1985) shall come into force on the Fifteen day of February 1986.

By Order and in the name of the Governor of Karnataka,

(M. R. REWANKAR)

*Under Secretary to Government, Finance Department (CT)*

(Published in Gazette Extraordinary, PART IV—2-C (ii), dated 10.2.1986, No. 90.)

**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.

**Section 4AA is incorporated in the Principal Act.**