



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು  
ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

ಭಾಗ - ೪ಎ Part - IVA	ಬೆಂಗಳೂರು, ಶುಕ್ರವಾರ, ೨೯, ಜನವರಿ, ೨೦೨೧ (ಮಾಘ, ೦೯, ಶಕವರ್ಷ ೧೯೪೨) Bengaluru, FRIDAY, 29, JANUARY, 2021 (MAGHA, 09, ShakaVarsha 1942)	ನಂ. ೧೪೭ No. 147
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KARNATAKA LEGISLATIVE ASSEMBLY

FIFTEENTH LEGISLATIVE ASSEMBLY

NINTH SESSION

**THE KARNATAKA MOTOR VEHICLES TAXATION (SECOND AMENDMENT)**

**BILL, 2020**

**(LA Bill No. 04 of 2021)**

A Bill further to amend the Karnataka Motor Vehicles Taxation Act, 1957.

Whereas, it is expedient further to amend the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) for the purpose hereinafter appearing:

Be it enacted by the Karnataka State Legislature in the seventy first year of the Republic of India as follows:-

**1. Short title and commencement:-** (1) This Act may be called the Karnataka Motor Vehicles Taxation (SecondAmendment) Act, 2020.

(2) It shall be deemed to have come into force with effect from 1<sup>st</sup> day of April 2015, except column (3) of part A 9 of the schedule which shall come into force at once.

**2. Amendment of Section 3,-**In the Karnataka Motor VehicleTaxation Act, 1957 (Karnataka Act 35 of 1957) (hereinafter referred to as 'the PrincipalAct') in Section 3, sub-section (1), after the clause (d), the following clause shall be inserted; namely:-

"(e)In case of Combined Harvester Vehicles (as defined in clause (cb) of rule 2 of the Central Motor Vehicles Rules, 1989) tax shall be levied at the rates specified in Part-A9 of the Schedule".

**3. Amendment of section 7:-**In Section 7 of the principal Act, in sub-section (3), after the words, letter and figure“and Part C5”, the words, letters and figures **“Part C6, Part C7 and Part C8”** shall be inserted.

**4. Amendment of the Schedule:-** In the Schedule to the principal Act,-  
(1) after part A8 the following new part A9 shall be inserted, namely:-

**“Part A9**

**{See Section 3 (1)}**

**Lifetime tax for Combine Harvester Vehicle (As defined under rule 2 clause (cb) of the Central Motor Vehicle rules, 1989)**

<b>Sl No (1)</b>	<b>Class of Vehicle (2)</b>	<b>Combine Harvester Vehicle used for Sugar Cane Harvesting only With effect from the date of publication of the Karnataka Motor Vehicles Taxation (Second Amendment ) Act, 2020 (3)</b>	<b>Subject to column (3) Combine Harvester Vehicleincluding Sugar Cane Harvester With effect from 1<sup>st</sup> April 2015 (4)</b>
<b>A</b>	At the time of Registration of New Vehicles	3 percent of the cost of the vehicle	6 percent of the cost of the Vehicle.
<b>B</b>	If the Vehicle is already registered and its age from the month of Registration is:	Percentage of the Life Time Tax Levied under serial number A	Percentage of the Life Time Tax Levied under serial number A
<b>1</b>	Not more than 2 years	93%	93%
<b>2</b>	More than 2 years but not more than 3 years	87%	87%
<b>3</b>	More than 3 years but not more than 4 years	81%	81%
<b>4</b>	More than 4 years but not more than 5 years	75%	75%
<b>5</b>	More than 5 years but not more than 6 years	69%	69%
<b>6</b>	More than 6 years but not more than 7 years	64%	64%
<b>7</b>	More than 7 years but not more than 8 years	59%	59%
<b>8</b>	More than 8 years but not more than 9years	54%	54%
<b>9</b>	More than 9 years but not more than 10years	49%	49%
<b>10</b>	More than 10 years but not more than 11 years	45%	45%

<b>11</b>	More than 11 years but not more than 12 years	41%	41%
<b>12</b>	More than 12 years but not more than 13 years	37%	37%
<b>13</b>	More than 13 years but not more than 14 years	33%	33%
<b>14</b>	More than 14 years but not more than 15 years	29%	29%
<b>15</b>	More than 15 years	25%	25%

**Notes :**

Cost of the Vehicle in relation to a motor Vehicle means,-

- (a) In respect of a vehicle manufactured in India, cost of the Vehicle as per the purchase invoice issued either by the manufacturer or by the dealer of the vehicle including the excise duty, surcharge or cess, Goods and Services Tax etc., as payable in the State of Karnataka whichever is higher; and
- (b) In respect of an imported motor vehicle, irrespective of its place of manufacture, the total cost incurred in importing the vehicle, that is to say, the value of the motor vehicle as endorsed in the bill of entry or such other document and assessed as such under the Customs Act, 1962, together with the customs duty levied freight charges incurred and other taxes levied there upon including additional duty/penalty levied if any, by the Customs Department or any other Department.”

(2) after part C7 the following new part shall be inserted,namely:-

**“Part C8**

**{See Section 7 (3)}**

**Refund Table for Combined Harvester Vehicles**

<b>Sl. No.</b>	<b>If after the Registration removal of vehicle or cancellation of Registration of vehicle taken place.</b>	<b>Percentage of Life Time Tax Paid to be Refunded</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
<b>1</b>	<b>Within a year</b>	<b>93%</b>
<b>2</b>	After 1 year but within 2 years	<b>87%</b>
<b>3</b>	After 2 year but within 3 years	<b>81%</b>
<b>4</b>	After 3 year but within 4 years	<b>75%</b>
<b>5</b>	After 4 year but within 5 years	<b>69%</b>
<b>6</b>	After 5 year but within 6 years	<b>64%</b>
<b>7</b>	After 6 year but within 7 years	<b>59%</b>
<b>8</b>	After 7 year but within 8 years	<b>54%</b>
<b>9</b>	After 8 year but within 9 years	<b>49%</b>
<b>10</b>	After 9 year but within 10 years	<b>45%</b>

<b>11</b>	After 10 year but within 11 years	<b>41%</b>
<b>12</b>	After 11 year but within 12 years	<b>37%</b>
<b>13</b>	After 12 year but within 13 years	<b>33%</b>
<b>14</b>	After 13 year but within 14 years	<b>29%</b>
<b>15</b>	After 14 year but within 15 years	<b>25%</b>
<b>16</b>	After 15 years	<b>Nil"</b>

### **STATEMENT OF OBJECTS AND REASONS**

To give effect to the amendment made by the Ministry of Road Transport and Highway vide notification no. G.S.R 584 (E), dated:25.09.2020 by inserting 2 (cb) defining "Combined Harvesting", it is considered necessary to amend the Karnataka Motor Vehicle Taxation Act, 1957 (Karnataka Act no 35 of 1957). These vehicles were classified as "Construction Equipment Vehicle" and tax was levied @ 6% on the cost of vehicle with effect from 01.04.2015.

The Proposal of reduction of Tax for sugar Cane-Combined Harvester vehicle from 6% to 3% prospectively has been concurred by Finance Department restricting of the reduction only for Sugar Cane Combine Harvester vehicle and to make necessary amendments to the Karnataka Motor Vehicle Taxation Act 1957.

Hence, the Bill.

### **FINANCIAL MEMORANDUM**

The cost of the Sugar Cane Combine Harvesting vehicle is approximately Rs.1.00 Crore and it is reported that 180 vehicles are in the State. For 180 vehicle the estimated financial loss by the proposed Legislative measure is about Rs.5.99 Crores.

**LAXMAN SAVADI**

Deputy Chief Minister and  
Minister for Transport

**M.K. VISHALAKSHI**

Secretary (I/c)  
Karnataka Legislative Assembly

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**ANNEXURE****Extract from the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act No. 35 of 1957)****XX****XX****XX**

**3. Levy of tax.-** (1) A tax at the rates specified in Part A of the Schedule shall be levied on all motor vehicles suitable for use on roads x x x:

Proviso x xx

Provided that, in the case of a motor cycle (including motor scooter and cycle with attachment for propelling the same by mechanical power) 3 other than those owned by Central Government employees or Defence Personnel or employees of public sector undertakings owned by Government of India including nationalised banks which are brought with them to the State of Karnataka on transfer for which lifetime tax, or tax quarterly or annually, as the case may be, has already been paid in other states or union territories the tax shall be levied at the rates specified in part A1 of the schedule:

Provided further that, in the case of tractors, trailers and power tiller trailers,-

(d) in the case of Motor Cabs the cost of which exceeds Rupees fifteen lakhs, other than those registered outside the State and covered with a permit issued under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) tax shall be levied at the rates specified in Part-A8 of the schedule.

**7. Refund of tax.-** (3) Notwithstanding anything contained in sub-sections (1) and (2), where tax has been paid under sub-section (3) of section 4, the registered owner who has paid such tax shall be entitled to a refund of tax at the rate specified in Part C, Part CC, Part C1, Part C2, Part C3, Part C4 and Part C5 as the case may be of the schedule in the case of,-

(i) removal of the vehicle to any other State on transfer of ownership or change of address; or

(ii) cancellation of registration of vehicle on account of scrapping of such vehicle due to accidents or other causes:

Provided that, in the case of removal of vehicle outside the State of Karnataka on transfer of ownership or on change of address the refund of tax will

be considered only after receipt of proof for having effected the transfer of ownership or change of address.

provided further that, the registered owner who has paid the tax in part under clause (i) of third proviso of sub-section (3) of section 4 shall not be entitled for a refund of tax, unless the tax is paid in full.

**Part-A8**

**See Section 3 (1)**

**Lifetime Tax for Motor Cabs the cost of which exceeds Rupees fifteen lakhs other than those registered outside the State and covered with a permit issued under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)**

<b>Sl. No.</b>	<b>Class of vehicles</b>	<b>Percentage of tax levied</b>
<b>A.</b>	<b>At the time of Registration of New Vehicles.</b>	<b>15 percent of the cost of the vehicle</b>
<b>B.</b>	<b>If the vehicle is already registered and its age from the month of Registration is :</b>	<b>Percentage of the life time tax levied under Clause A</b>
1.	Not more than 2 years	93%
2.	More than 2 years but not more than 3 years	87%
3.	More than 3 years but not more than 4 years	81%
4.	More than 4 years but not more than 5 years	75%
5.	More than 5 years but not more than 6 years	69%
6.	More than 6 years but not more than 7 years	64%
7.	More than 7 years but not more than 8 years	59%
8.	More than 8 years but not more than 9 years	54%
9.	More than 9 years but not more than 10 years	49%
10.	More than 10 years but not more than 11 years	45%
11.	More than 11 years but not more than 12 years	41%
12.	More than 12 years but not more than 13 years	37%
13.	More than 13 years but not more than 14 years	33%
14.	More than 14 years but not more than 15 years	29%
15.	More than 15 years	25%

**Notes :**

1. In respect of vehicles for which tax was due prior to the 1st day of April 2012, but has not been paid, such tax shall be collected at the rates prevailing prior to such day along with the penalty due, if any.

2. Cost of the vehicle in relation to a motor vehicle means;- (a) In respect of a vehicle manufactured in India, cost of the vehicle as per the purchase invoice issued either by the manufacturer or by the dealer of the vehicle including the excise duty, sales tax, surcharge or cess entry tax etc., as payable in the State of Karnataka; and

(b) In respect of an imported motor vehicle, irrespective of its place of manufacture, the total cost incurred in importing the vehicle, that is to say, the value of the motor vehicle as endorsed in the Bill of Entry or such other document and assessed as such under the Customs Act 1962, together with the Customs Duty levied, freight charges incurred and other taxes levied thereupon including additional duty/penalty levied if any, by the Customs Department or any other Department.

**Part - C7**

**See Section 7 (3)**

**Refund table for Motor Cabs cost of which exceeds Rupees fifteen lakhs**

<b>Sl. No.</b>	<b>Class of vehicles</b>	<b>Percentage of tax paid</b>
1.	Within a year	93%
2.	After 1 year but within 2 years	87%
3.	After 2 year but within 3 years	81%
4.	After 3 year but within 4 years	75%
5.	After 4 year but within 5 years	69%
6.	After 5 year but within 6 years	64%
7.	After 6 year but within 7 years	59%
8.	After 7 year but within 8 years	54%
9.	After 8 year but within 9 years	49%
10.	After 9 year but within 10 years	45%
11.	After 10 year but within 11 years	41%
12.	After 11 year but within 12 years	37%
13.	After 12 year but within 13 years	33%
14.	After 13 year but within 14 years	29%
15.	After 14 year but within 15 years	25%
16.	After 15 years	Nil

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