
KARNATAKA TAX ON LUXURIES ACT, 1979

22 of 1979

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SCHEDULE 1 :- SCHEDULE

KARNATAKA TAX ON LUXURIES ACT, 1979

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STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 22 OF 1979 Karnataka Gazette, Extraordinary, dated 27-3-1979 In order to augment the revenues of the State it is proposed to levy a tax on luxury provided in hotels and lodging houses. Hence this Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 9 OF 1981 Karnataka Gazette, Extraordinary, dated 26-3-1981 According to the existing provisions of Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979, tax ranging from 11/2 % to 7% of the lodging charges is collected if the charges per person per day are Rs. 30/- and above. In the Budget speech for the year 1981-82, it has been indicated that the tax on luxuries shall be

increased, so as to include hotels with lodging charges of Rs. 20/- per day, per person and above. The luxury tax proposed to be levied ranges from 5% to 10% of the lodging charges and it will cover a larger number of hotels. This is proposed in order to augment the revenues of the State by an amount of Rs. 30 lakhs per annum. Hence the Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 18 OF 1982 Karnataka Gazette, Extraordinary, dated 27-3-1982 According to the existing provisions of the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979 tax ranging from 5 per cent to 10 per cent of the lodging charges is collected if the charges per person per day are Rs. 20 and above. It has been decided to raise the minimum limit of lodging charges from Rs. 20 to Rs. 25 per day per head in respect of liability to pay tax for the reason that a room with a rent of Rs. 20 per person per day can hardly be regarded as a 'Luxury' at the current price levels. The financial implication on account of the enhancement of the limit from Rs. 20 to Rs. 25 may be about Rs. 10 lakhs per annum. Hence the Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 21 OF 1985 Karnataka Gazette, Extraordinary, dated 1-8-1985 In the Budget Speech for the year 1985-86 the Chief Minister indicated that the levy and collection of tax on luxury provided in the Hotels are on as based charges collected per room per day. Hence the Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 10 OF 1986 Karnataka Gazette, Extraordinary, dated 14-3-1986 It is proposed to amend the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979 empowering the Government to collect tax from registered proprietors and to streamline the tax collection procedure. Hence the Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 12 OF 1987 Karnataka Gazette, Extraordinary, dated 27-3-1987 To give effect to the proposals made in the budget speech, it is proposed to amend the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1976. Hence the Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 17 OF 1989 Karnataka Gazette, Extraordinary, dated 27-3-1989 To give effect to the proposals made in the Budget speech it is proposed to amend the Karnataka Tax on Luxuries (Hotels and Lodging Houses) Act, 1979. Hence the Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 6 OF 1995 (Obtained from the L.A. Bill) 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 Entertainments 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. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 5 OF 1996 Karnataka Gazette, Extraordinary, dated 8-3-1996 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. Hence the Bill. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 7 OF 1997 (As appended to at the time of introduction) 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 DC 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. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 3 OF 1998 Karnataka Gazette, Extraordinary, dated 28-5-1998 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 Employment Act, 1976 (Karnataka Act 35 of 1976), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958), the Mysore Betting Tax Act, 1932 (Mysore Act DC 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. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 4 OF 1999 (As appended to at the time of introduction) 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 (Hotels, Lodging Houses and Marriage Halls) Act, 1979 (Karnataka Act 22 of 1979), the Karnataka Entertainments Tax Act, 1958 (Karnataka Act 30 of 1958) 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. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 5 OF 2000 Karnataka Gazette, Extraordinary, dated 31-3-2000 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 Sales Tax Act, 1957 (Karnataka Act 25 of 1957), the Karnataka Tax on Luxuries Act, 1979 (Karnataka Act 22 of 1979} and the Karnataka Entertainments 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. STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 2 OF 2001 Karnataka Gazette, dated 5-4-2001 Gutkha which is a product containing among others mainly arecanut and tobacco was subject to sales tax at 15% till 31-3-2000 and at 16% from 1-4-2000 under the Karnataka Sales Tax, 1957. Apart from this, gutkha is also liable for 4% entry tax under the Karnataka Tax on Entry of Goods Act, 1979 and in cases where tax is not payable, it is liable for 4% luxuries tax under the Karnataka Tax on Luxuries Act, 1979. As per the agreement made with the Union Government by all States, the States have agreed for levy and collection of Additional Duty of Excise in lieu of sales tax by the Union Government under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 on tobacco (and also on tobacco products, textiles and sugar). The Additional Duty of Excise so collected by the Union Government is shared among all the States and any State levying sales tax on these goods would lose its share from such Additional Duty of Excise collected. Till 31-3-1992 tobacco and its products, textiles and sugar had been generally exempted from sales tax under the Karnataka Sales Tax Act, 1957. However by an amendment to the Fifth Schedule with effect from 1-4-1992, exemption of sales tax

was confined only to the goods which are specified from time to time in the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957. This was done to empower the State to levy sales tax on those goods on which no Additional Duty of Excise in lieu of sales tax, was proposed to be levied by the Union Government. Accordingly sales tax was being levied by the State on tobacco and its products. Similarly, certain other States were also levying sales tax on tobacco and its products, which were not specified under the Additional Duties of Excise (Goods of Special Importance) Act, 1957. The levy of Sales Tax by the State of Andhra Pradesh on gutkha, which was not specified under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 was questioned before Supreme Court in M/s. Kothari Products Limited v Government of Andhra Pradesh and the Apex Court in its judgement dated 25-1-2000 has held that gutkha is tobacco specified under the Additional Duties of Excise (Goods of Special Importance) Act, 1957 and herefore not liable for sales tax. As the ratio of the aforesaid case is also applicable to the State, it is not possible to continue to levy of sales tax on gutkha in the State. Discontinuance of sales tax on gutkha would entail a revenue loss of about rupees thirty crores per annum. It was therefore considered necessary to increase the rate of Luxury Tax on gutkha from 4% to 20% by amending the Karnataka Luxuries Tax Act, 1979 which was in addition to the existing entry tax at 4%. As the matter was urgent, the Karnataka Tax on Luxuries (Amendment) Ordinance, 2001 was promulgated. This Bill seeks to replace the said Ordinance. Hence the Bill STATEMENT OF OBJECTS AND REASONS KARNATAKA ACT No. 5 OF 2001 (As appended to the time of introduction) 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.

1. Short title, extent and commencement :-

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

(3) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

CHAPTER 1

Preliminary

2. Definitions :-

In this Act, unless the context otherwise requires,

Explanation: If any question arises whether any charges are charged for lodging, such question shall be referred to the State Government and the decision of the State Government shall be final and shall not be called in question in any Court;

(6-C) "Stockist" means a person who has in his possession or custody or under his control a stock of luxuries procured in any manner or manufactured, made or processed by him in the course of business in the State or brought or caused to be brought by him into the State either on his own account or on account of others from any place outside the State, for stocking, vending or supplying such luxuries;]

(7) "Tax" means the luxury tax levied and collected under this Act;

(9) "Turnover of stock of luxuries" in relation to a stockist, in respect of any year, means the aggregate of the value of stocks of luxuries;

(10) "Year" means the year commencing on the first day of April;

2A. Instructions to subordinate authorities :-

(2) All officers and persons employed in the execution 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.]

2B. Jurisdiction of officers :-

(1) The Joint Commissioners shall perform their functions in respect of such areas or of such proprietors or stockists or classes of proprietors or stockists or of such cases or classes of cases as the Commissioner may direct.

(2) The Luxury Tax Officers shall perform their functions in respect of such areas or of such proprietors or stockists or classes of proprietors or stockists or such cases or classes of cases as the

Commissioner may direct.

2C. Change of incumbent of an office :-

Whenever in respect of any proceeding under this Act, a Luxury Tax Officer or any other officer ceases exercise jurisdiction and is succeeded by another who has and exercises jurisdiction, the authority or officer so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor:

Provided that the proprietor or stockist may demand that before the proceeding is so continued the previous proceedings or any part thereof be re-opened or that before any order of assessment is passed against him, he be re-heard.]

CHAPTER 2

Levy of Tax on Luxury provided in Hotels, Lodging Houses, Health Clubs, etc. and Marriage Halls

3. Levy and collection of tax on luxury provided in a hotel :-

(3) In computing the amount of tax payable under this section, the amount shall, if it is not a multiple of five paise, be increased to the next higher multiple of five paise.

3A. Levy of cess :-

x x x x x.]

3B. . :-

Tax on luxuries like health club, etc. There shall be levied and collected a tax at the rate of twenty per cent on the charges collected for luxuries provided in a hotel for residents or others such as health club, beauty parlour, swimming pool, conference hall and the like when such charges are collected separately.

3C. Levy and collection of tax on charges for marriage hall :-

Subject to the provisions of this Act, where charges for luxury provided in a marriage hall are not less than two thousand rupees per day there shall be levied and collected a tax at the rate of fifteen per cent of such charges:]

Provided that where charges for marriage hall are payable otherwise than on daily basis, then for the purposes of determining the tax liability under this section, the charges shall be computed as for a day, based on the period of occupancy for which the charges are payable].

4. Mode of collection of tax :-

(2) Where, in addition to the charges for luxury provided in a hotel, service charges are levied and appropriated to the proprietor and not paid to the staff, then, such charges shall be deemed to be part of the charges for luxury provided in the hotel.

(3) Where luxury provided in a hotel to any person (not being an employee of the hotel) is not charged at all, or is charged at a concessional rate, then the tax on such luxury, shall be levied and collected as if full charges for such luxury were paid to the proprietor of the hotel.

4A. Registration of proprietors and stockists :-

(2) The registration granted shall be valid for one year and shall be renewed from year to year on payment of the fee specified in sub-section (1).

(8) A proprietor or a stockist registered under sub-section (1) shall be entitled to have his registration cancelled if he is able to prove to the satisfaction of the Luxury Tax Officer that he has discontinued, transferred or otherwise disposed off his business.

(9) The Luxury Tax Officer shall have power, for good and sufficient reasons, to cancel, modify or amend any registration certificate issued by it.

(10) A certificate of registration shall be personal to the proprietor or the stockist to whom it is granted and shall not be transferable.

4AA. Declaration of charges for marriage hall :-

(1) Every proprietor of a marriage hall liable to pay tax under this Act, shall declare the normal rate fixed for luxury provided by him in such manner and within such period as may be prescribed.

(2) Where luxury provided in a marriage hall to any person is not charged at all, or is charged at a concessional rate, then the tax on such luxury, shall be levied and collected as if full charges for such luxury were paid to the proprietor of the marriage hall.]

CHAPTER 3

Levy of Tax on Luxuries

4B. Levy of tax on luxuries :-

(1) Subject to the provisions of this Act, there shall be levied and

collected a tax on the turnover of stock of luxuries in respect of luxuries mentioned in column (2) of the Schedule at the rate specified in the corresponding entry of column (3) of the said Schedule.

(2) The tax levied under sub-section (1) shall be paid by every registered stockist or a stockist liable to get himself registered under this Act.

4C. Reduction in tax liability :-

Where a stockist liable to pay tax under this Act, being a dealer in such goods excluding gutkha becomes liable to pay tax under the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957), as a result of the sale of such goods, then the amount of tax payable under the said Act shall be reduced by the amount of tax paid under this Act.

CHAPTER 4

Return, assessment, payment, recovery and collection of taxes

5. Returns :-

(3) Every return shall be verified in the prescribed manner.

6. Assessment and collection of tax :-

(4) Any assessment made under this section shall be without prejudice to any penalty or prosecution for an offence under this Act.

6A. Collection of tax by a registered 9[proprietor or stockist] and forfeiture of illegal or excess collection of taxes :-

(1) A proprietor or a stockist who is not registered under this Act, shall not collect any amount by way of tax or purporting to be by way of tax under this Act, nor shall a registered proprietor or a registered stockist collect any amount by way of tax or purporting to be by way of tax at a rate exceeding the rate specified under this Act at which he is liable to pay tax.

7. Imposition of penalty in certain cases :-

Where any [proprietor or stockist] liable to pay tax under this Act,

7A. Assessment of escaped tax :-

8. Payment of tax and penalty :-

8A. Recovery of tax from certain other persons :-

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

8B. Liability of firms :-

(1) Where any firm is liable to pay any tax or penalty or other amount under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment.

(2) Where a partner of a firm liable to pay any tax or penalty or other amount under this Act retires he shall, notwithstanding any contract to the contrary, be liable to pay the tax or penalty or other amount remaining unpaid at the time of his retirement and any tax or penalty or other amount upto the date of retirement, though unassessed.

(3) When a firm liable to pay the tax or penalty under this Act is dissolved or discontinued, the assessment of the tax and imposition of penalty shall be made as if no dissolution or discontinuance of the firm had taken place and every person who was, at the time of dissolution or discontinuance, 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 tax or penalty assessed or imposed.

8C. Tax payable on transfer of business etc. :-

(3) When an undivided Hindu family or Aliyasanthana family liable to pay tax or penalty is partitioned, the assessment of the tax and the imposition of the penalty 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 tax or penalty assessed or imposed.]

CHAPTER 5

Appeals and Revisions

9. Appeal :-

10. Revisional powers of Joint Commissioner and Commissioner :-

(2) The Commissioner may of his own motion, call for and examine the record of any order passed or proceedings recorded under the provisions of this Act by a Joint Commissioner subordinate to him

for the purpose of satisfying himself as to the legality or propriety of such order or as to the regularity of such proceeding insofar as it is prejudicial to the interest of revenue, and pass such orders with reference thereto as he thinks fit.

(3) The powers under sub-sections (1) and (2) shall be exercisable only within a period of four years from the date on which the order was passed.

(4) No order shall be passed under sub-section (1) or (2) enhancing any assessment, unless an opportunity has been given to the proprietor or the stockist to show cause against the proposed enhancement.

Explanation I. For the purposes of this section, "the record" shall include all records relating to any proceedings under this Act available at the time of examination by the Commissioner or the Joint Commissioner.

Explanation II. In computing the period of limitation under this section, the period during which any proceedings under this section is stayed by an order or injunction of any Court shall be excluded.]

10A. Rectification of mistakes :-

(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.

11. Appeal to the Appellate Tribunal :-

(2) The officer authorised under sub-section (1) or the person against whom an appeal has been preferred, as the case may be, on receipt of notice that an appeal against the order of the Joint Commissioner 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 at any time before the appeal is finally heard, a memorandum of cross-objections, verified in the prescribed manner, against any part of the order of the Joint Commissioner, as the case may be, 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).

(9) Except as provided in the rules made under this Act, the Appellate Tribunal shall not have the 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, the Joint Commissioner concerned and the Commissioner.

CHAPTER 6

Miscellaneous

11A. Revision by High Court :-

(3) If the High Court, on perusing the petition, considers that there is no sufficient ground for interfering, it may dismiss the petition summarily: Provided that no petition shall be dismissed unless the petitioner has had a reasonable opportunity of being heard in support thereof.

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

(8) In respect of every petition preferred under sub-section (1) or (7), the costs shall be in the discretion of the High Court.

11B. Appeal to High Court :-

(2) The appeal shall be in the prescribed form, shall be verified in the prescribed manner, and shall be accompanied by a fee of five hundred rupees.

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

12. Payment of interest :-

Where any amount refundable to any person under an order made under any provision of this Act is not refunded to him within ninety days,

(a) of the date of such order, if that order is made by the refunding authority, or

Explanation.If the delay in granting the refund within the aforesaid period of ninety days is attributable to the person to whom the refund is payable, the period of such delay shall be excluded for the purpose of calculation of interest.]

12A. Power of State Government to exempt or reduce tax :-

The State Government may, if in its opinion, it is necessary in the public interest so to do, by notification and subject to such restrictions and conditions and for such period as may be specified in the notification, exempt or reduce the tax payable under this Act in respect of specified class of hotels [or class of stockists.

12B. Maintenance of accounts and issue of sale bills or cash memorandum :-

(1) Every registered proprietor, stockist and every proprietor or stockist liable to get himself registered under this Act shall maintain and keep true and complete accounts relating to his business as well as such other registers or records as may be prescribed in this regard. All such accounts, registers or records shall be retained by him in his safe custody till his assessment or re-assessment, as the case may be, for the relevant year is completed or, in cases where any appeal, revision or other proceedings in respect of such year has been filed and is pending, the same is disposed of.

(2) Every proprietor liable to pay luxury tax under the Act shall issue a bill or cash memorandum in respect of the charges for lodging accommodation or charges for marriage hall recovered by him from a guest or any person and shall specify in such bill or cash memorandum, the full name of the hotel or marriage hall, the amount of luxury tax recovered, the name of the guest or any person from whom it is recovered and where the charges are recovered in any foreign exchange, the name of the currency.

13. Offences and Penalties :-

14. Offences by Companies :-

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

15. Compounding of offences :-

16. Powers to enforce attendance etc. :-

All authorities under this Act, shall for the purpose of this Act, have

the same powers as are vested in a Court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908), while trying a suit, in respect of enforcing the attendance of and examining, any person on oath or affirmation or for compelling the production of any document.

17. Powers of inspection of accounts and documents and search of hotel, etc :-

17A. Recognition of sales tax check posts or barriers for the purposes of the Act :-

(8) The verification under sub-section (7) shall be completed within a period of fifteen days from the date of the direction issued under that sub-section and where such verification cannot be completed within the aforesaid period the officer who has issued such direction, or, as the case may be, the officer to whom the matter is referred for verification shall obtain the permission in writing of the next higher authority to extend such period or completion of the verification, so however such extension shall not be permitted for the period exceeding fifteen days at a time.

(9) Where such officer or other officer to whom the matter is referred, upon such verification is of the opinion that there is a non-compliance with sub-section (2), and penalty is leviable under sub-section (4), he may, proceed against such luxuries in the custody of the carrier, or the person-in-charge of vehicle or the godown in accordance with sub-sections (4) and (11) of this section.

(10) Where the officer-in-charge of the check post or any empowered officer has issued a notice for contravention of any of the provisions of this section, further proceedings in pursuance to such notice may, subject to such conditions and in such manner as may be prescribed, be continued by any other officer empowered by the Commissioner in this behalf, from the stage at which it is pending.

18. Burden of proof :-

(1) For the purpose of assessment of tax on luxuries under this Act, the burden of proving that any turnover of stock of luxuries is not liable to tax under this Act shall lie on the stockist.

(2) Notwithstanding anything contained in this Act or in any other

law, if in respect of any turnover of stock of Luxuries claimed to be not liable to tax under this Act, the burden of proof under subsection (1) is not discharged, the stockist failing to discharge the burden of proof shall be deemed to be the stockist liable to tax under this Act in respect of such turnover of stock of Luxuries.

18A. Assessment, etc. not to be questioned in prosecution

:-

The validity of the assessment of any tax or other amount made under this Act or the liability of any person to pay any tax or other amount so assessed or levied shall not be questioned in any Criminal Court in any prosecution or other proceedings whether under this Act or otherwise.

19. Bar of proceedings :-

(1) No suit shall lie in any Civil Court to set aside or modify an assessment made or order passed under this Act.

(2) No suit, prosecution or other legal proceeding shall lie against the State Government for anything which is in good faith done or intended to be done in pursuance of this Act or any rules made thereunder.

20. Power to make rules :-

(1) The State Government may make rules for securing the payment of the tax and generally for carrying into effect the provisions of this Act.

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

20A. Laying of notifications before the State Legislature :-

Every Notification issued under the provisions of this Act shall be laid as soon as may be after it is published, 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 two or more successive sessions immediately following, and if both Houses agree in making any modification in the notification or both Houses agree that the notification should not be made, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under the Notification.

21. 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 may appear to it to be necessary or expedient for removing the difficulty.

SCHEDULE 1

SCHEDULE

SCHEDULE

[See Section 2(6-A)]

SI. No.	Description of Luxuries	Rate of Tax
(1)	(2)	(3)
1.	Cigarettes	4 per cent
2.	Tobacco products other than cigarettes, including cigars, chorus, zarda, quimam, etc., but excluding beedies and snuff	4 per cent
3.	Gutkha	20 per cent
4	Silk fabrics	2 per cent
5.	All kinds of electronic goods imported from outside the country	12 per cent