



Highlights of Karnataka State Budget 2013-14

Compiled by:



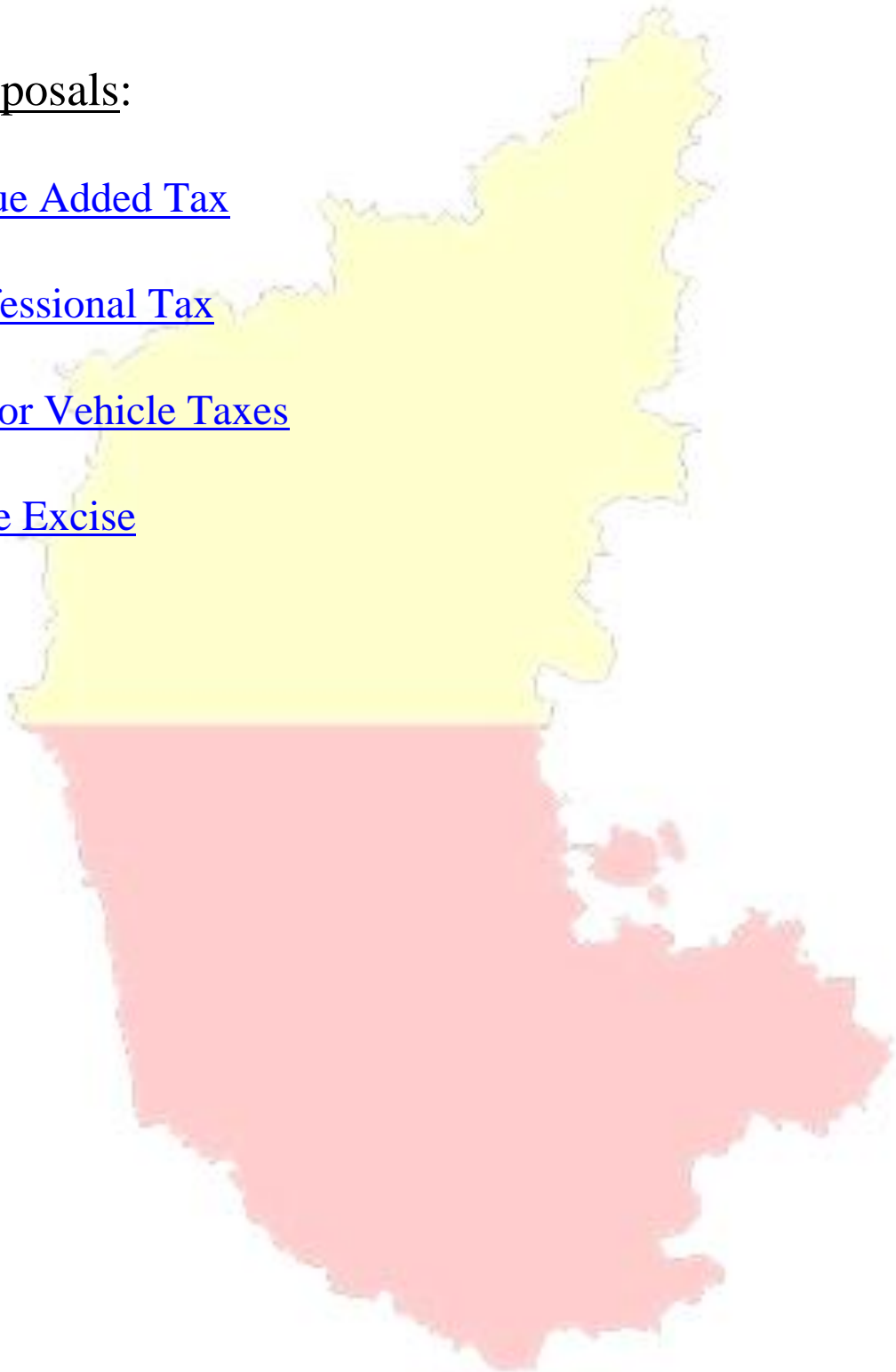
SSB & ASSOCIATES

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A. VALUE ADDED TAX

Reliefs under VAT:

- a) VAT rates decreased from 5.5% to 5% and 14.5% to 14% with effect from 1st August 2013.
- b) VAT exemption on paddy, rice, wheat, pulses and products of rice and wheat continued for one more year from 1st April 2013.
- c) Increase in the current threshold of Rs. 2 lakhs for registration under Entry Tax Act to Rs. 5 lakhs on par with the threshold under the KVAT Act.
- d) Tax Exemption on Footwear costing up to Rs.200/- per pair.
- e) Reduction in Rate of VAT on the following goods from 14.5% to 5.5% with effect from 1st April 2013.
- Arecanut de-husking machine
 - Cocoa husk
 - Refractory monolithic powder
 - Domestic containers
 - Doors and window frames and doors and window shutters made from waste plastic
 - Air compressors and their parts including engines – included in list of capital goods
 - Purchase of supplementary nutrition food made under integrated child development scheme for supply to children, pregnant women / nursing mothers and adolescents by Anganawadi workers run by Women and Child Welfare Development.
- f) Payment of 30% of disputed amount is required to be made by the dealers for filing appeals against orders demanding tax in excess of the amounts declared by them as against of payment of 50%.
- g) The current time of 10 days given for payment of additional tax demanded on assessment and reassessments increased to 30 days.



B. PROFESSIONAL TAX

- a) Introduction of a special provision for filing of appeal even against the Best Judgment Order.



C. MOTOR VEHICLE TAXES

- a) Electronic payment facility for payment of tax and fees in respect of motor vehicles.
- b) Lifetime tax to be collected on construction equipment vehicles in one installment instead of two installments.



D. STATE EXCISE

- a) Revision in the 17 slabs of declared prices relating to Indian Made Liquor by increasing each of them by Rs. 40.
- b) The License fee for transfer of retail liquor license and bar and restaurant license from one person to another will be **doubled**.
- c) Provision of electronic payment facility for payment of excise duty and other amounts by distilleries and breweries.
- d) A system of online issue of No Objection Certificate allotment for rectified spirit to distilleries.

