



# ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

ಭಾಗ - IV-A	ಬೆಂಗಳೂರು, ಸೋಮವಾರ, ಮಾರ್ಚ್ ೧೧, ೨೦೧೩ (ಫಾಲ್ಗುಣ ೨೦, ಶಕ ವರ್ಷ ೧೯೩೪)	ನಂ. ೫೬೨
Part - IV-A	Bangalore, Monday, March 11, 2013 (Phalgun 20, Shaka Varsha 1934)	No. 562

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನಾ ಸಚಿವಾಲಯ  
ಅಧಿಸೂಚನೆ

ಸಂಖ್ಯೆ: ಸಂವ್ಯಕ್ತಾಂ 68 ಶಾಸನ 2012, ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 11.03.2013

The Karnataka Electricity (Taxation on Consumption) (Amendment) Bill, 2013ಕ್ಕೆ 2013ರ ಮಾರ್ಚ್ ತಿಂಗಳ ಐದನೇ ದಿನಾಂಕದಂದು ರಾಜ್ಯಪಾಲರ ಒಪ್ಪಿಗೆ ದೊರೆತಿದ್ದು, ಸಾಮಾನ್ಯ ತಿಳುವಳಿಕೆಗಾಗಿ ಇದನ್ನು 2013ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ: 31-ಎಂಬುದಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪತ್ರದಲ್ಲಿ ಪ್ರಕಟಿಸಬೇಕೆಂದು ಆದೇಶಿಸಲಾಗಿದೆ.

**KARNATAKA ACT NO 31 OF 2013**

(First Published in the Karnataka Gazette Extra-ordinary on the eleventh day of March, 2013)

**THE KARNATAKA ELECTRICITY (TAXATION ON CONSUMPTION) (AMENDMENT) ACT, 2013**

(Received the assent of the Governor on the fifth day of March, 2013)

An Act further to amend the Karnataka Electricity (Taxation on Consumption) Act, 1959.

Whereas it is expedient further to amend the Karnataka Electricity (Taxation on Consumption) Act, 1959 (Karnataka Act 14 of 1959), 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 Electricity (Taxation on Consumption) (Amendment) Act, 2013.

(2) It shall come into force at once.

**2. Amendment of the title, long title and preamble.-** In the Karnataka Electricity (Taxation on Consumption) Act, 1959 (Karnataka Act 14 of 1959) (hereinafter referred to as the principal Act),-

(i) in the title, after the word "consumption", the words "or sale" shall be inserted;

(ii) in the long title and preamble after the word "consumption", the words "or sale" shall be inserted.

**3. Amendment of section 1.-** In section 1 of the principal Act, after the word "consumption", the words "or sale" shall be inserted.

**4. Amendment of section 2.-** In section 2 of the principal Act,-

(1) clause (1) shall be renumbered as clause (1C) thereof and for clause (1C) as so renumbered, the following shall be substituted, namely:-

"(1C) "consumer" includes a local Authority, company or any other person to whom electricity is supplied by a licensee or by any other person on payment of charges or

otherwise, and a licensee or other person who consumes electricity generated by himself does not include a licensee to whom electricity is supplied for supply to others, and the word "consume" with its grammatical variations shall be construed accordingly:

**Explanation.-** Where a licensee to whom electricity is supplied for supply to others, himself consumes any part of the electricity he shall be deemed to be a consumer in respect of electricity so consumed."

(ii) before clause (1C) so renumbered, the following shall be inserted, namely:-

"(1) 'Auxiliary consumption' means electricity consumed by any electrical apparatus situated in a generating station, for generating electricity, including Captive Generating Plant, Co-Generating Plant or any other generating plant excluding any building used for housing the operating staff of a generating station:

(1A) 'Captive consumption' means electricity consumed for own use to the extent of not less than fifty one percent of the electricity generated by a Captive Generating plant situated within the State of Karnataka determined on an annual basis.

Provided that in respect of an association the own consumption of members to the extent of fifty one percent of the electricity generated shall be proportionate to their ownership share in the power plant, within a variation of ten percent determined on an annual basis.

but does not include,-

- (a) the electricity consumed in any building used for housing the operating staff; and
- (b) the auxiliary consumption; and
- (c) losses sustained in transformation and transmission."

(1B) 'Chief Electrical Inspector to Government' means the Chief Electrical Inspector to Government appointed by the State Government under sub section (1) of Section 162 of the Electricity Act, 2003 (Central Act 36 of 2003) who is the head of the Department of Electrical Inspectorate."

(iii) for clause (2), the following shall be substituted, namely:-

"(2) 'electricity' means electrical energy,-

- (a) generated, consumed, transmitted, supplied or traded for any purposes; or
- (b) used for any purpose except the transmission of message.

(2A) 'electricity charges' means, the electricity consumption charges payable by the consumer at the prescribed rates on the units of electricity supplied to such consumer:

(2B) 'Inspecting Officer' means any officer appointed by the State Government as Inspecting Officer under section 6 of this Act".

(iv) in clause (3),-

(a) for sub-clause (a), the following shall be substituted, namely:-

"(a) any person who has been granted or deemed to have been granted a license under section 14 of the Electricity Act, 2003 (Central Act 36 of 2003) and includes any person who had obtained sanction in accordance with section 14 of the Karnataka Electricity Reforms Act, 1999 (Karnataka Act 25 of 1999);"

(b) sub-clause (b) shall be omitted.

(c) in sub-clause (c) for the word "energy" the word "electricity" shall be substituted.

(v) after clause (3), the following shall be inserted, namely:-

"(3A) 'non-licensee' means any person not being a licensee who generates electricity either for his own consumption or for supply to any other person for a charge or otherwise, where license is not required as per the provisions of the Electricity Act, 2003 (Central Act 36 of 2003), rules and regulations made thereunder."

(vi) after clause (4), the following shall be inserted, namely:-

"(4a) 'supply' in relation to electricity includes sale of electricity to a licensee or consumer.

Provided that sale does not include where electricity supplied to licensee for supply to others"

(vii) after clause (5), the following shall be inserted, namely:-

"(6) 'unit' means one kilowatt hour of electricity being measured by means of energy meter or trivector meter or any of the methods adopted to measure electricity."

**5. Amendment of section 3.-** In section 3 of the principal Act,-

(i) for sub-section (1), the following shall be substituted, namely:-

"(1) Subject to the provisions of this Act, there shall be levied and paid to the State Government electricity tax on ad valorem basis at six percent on the charges payable on electricity sold to or consumed by, any consumers (excluding arrears) when electricity is supplied by licensee or non-licensee through licensee or otherwise;

Provided that when the consumer consumes electricity at concessional rate or free of charge the consumer shall be liable to pay on the rate of charges of electricity levied by the licensee to other consumers.

except,-

(i) the consumers under agricultural (irrigation pump sets upto and inclusive of ten horse power);

(ii) Bhagya Jyothi and kutra jyothi categories upto the extent of free consumption allowed by the State Government from time to time; and

(iii) the consumers covered under sub-section (2)."

(ii) for sub-section (2), the following shall be substituted, namely:-

"(2) Subject to the provisions of this Act, there shall be levied and paid to the State Government by every non licensee electricity tax on all the units of electricity consumed by himself at such rates specified by the State Government, by notification, from time to time, but not exceeding the rates specified below, namely:-

(a) electricity tax not exceeding 50 paise per unit on captive consumption;

(b) electricity tax not exceeding 25 paise per unit on auxiliary consumption in a generating station whether Captive Generating Plant or cogeneration plant or otherwise, for the auxiliary loads exceeding 50 Kilo Watts."

**6. Amendment of section 4.-** In section 4 of the principal Act,-

(i) for sub-section (1), the following shall be substituted, namely:-

"(1) Every licensee shall collect and pay to the State Government at the time and in the manner prescribed, the electricity tax payable under this Act,-

(a) on the electricity charges included in the bill issued by him to the consumer. The tax so payable shall be a first charge on the amounts recoverable by the supplier for the electricity supplied by him and shall be a debt due by him to the State Government;

Provided that where the licensee has been unable to recover the amounts due to him for the electricity supplied by him he shall not be liable to pay tax in respect of the electricity so supplied;

(b) on the units of electricity supplied to consumers by non licensee through the licensee."

(ii) for sub-section (3), the following shall be substituted, namely:-

"(3) Every person who consumes electricity generated by himself, and or who supplies electricity free of charge or otherwise to any other person through his own system, shall pay, or collect and pay, as the case may be, to the State Government, at the time and in the manner prescribed, the electricity tax payable under section 3."

(iii) in sub-section (4),-

(a) the words "free of charge" shall be omitted.

(b) for the words "sub-section (1) of section 24 of the Indian Electricity Act, 1910", the words "sub-section (1) of section 56 of the Electricity Act, 2003 (Central Act 36 of 2003)" shall be substituted.

**7. Amendment of section 7.-** In section 7 of the principal Act,-

(a) in clause (ii) the words "free of charge" shall be omitted;

(b) after clause (ii), the following shall be inserted, namely:-

"(iii) the amount received or recovered towards the arrears of tax or revenue due to government shall be adjusted first towards penalty, balance if any towards the outstanding interest on the tax or revenue. After such adjustment the balance amount be adjusted towards tax or revenue;"

**8. Amendment of section 9.-** In section 9 of the principal Act, in sub-section (1), for the words "an Inspector", the words "an Inspecting officer" shall be substituted and for the words "five hundred", the words "five thousand" shall be substituted.

**9. Insertion of sections 9A and 9B.-** After section 9 of the principal Act, the following shall be inserted, namely:-

**9A. Appeal.-** (1) Any person aggrieved by an order,-

(i) passed by any Inspecting Officer under the provisions of this Act, may appeal to the Chief Electrical Inspector to Government; and

(ii) passed by the Chief Electrical Inspector to Government under the provisions of this Act, may appeal to the State Government.

(2) The appeal shall be, in the prescribed form within such period, shall be verified in the prescribed manner, and shall be accompanied by a charges equal to five percent of the amount of the assessment objected to and challan for having remitted not less than twenty five percent of the electricity tax to be paid against assessment order under appeal.

**9B. Protection of action taken in good faith:** No suit, prosecution or other proceeding shall lie against the State Government or any officer of the State Government or any public servant for anything done or in good faith purporting to be done or any action taken under this Act or the rules made there under."

By Order and in the name of the Governor of Karnataka

**G.K. BOREGOWDA**

Secretary to Government,

Department of Parliamentary Affairs and Legislation