KARNATAKA PROFESSION TAX

- Levied under the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976 *(KTPTC & E Act)*.

- Payable by every **person** who is in any Profession, trade or employment, public or private as specified in the Schedule to the Act. ***(Refer Annex. 1)***

  No tax is payable by persons aged at 65 years or above.
  No tax is payable for holding any Profession / trade for < 120 days in that year.

- Person includes HUF, Firm, Company, Corporations, other Corporate bodies, Society and any Club or Association.

  Every branch of a firm, company, corporation or other corporate body, any society, club or association is treated as separate person for the purpose of tax liability.

- Employer is liable to deduct and pay the PT, where salary or wage of any employee for a month

Exceeds Rs. 10,000/- but less than Rs. 15,000/-	**Rs. 150/- per month**
Exceeds Rs. 15,000/-	**Rs. 200/- per month**

  All such employers shall obtain a **Certificate of Registration** within 30 days.

- Persons enumerated in Sl. No. 2 to 74 of the Schedule ***(Refer Annex. 1)*** are required to obtain a **Certificate of Enrollment**.

  Persons with Enrollment Certificate to pay tax every year before ***30th April*** at rates specified in Column 3 of the Schedule ***(Refer Annex. 1)***.

- **PENALTIES** *[Sec – 11 & 12]*

Failure to Get Certificate of Registration	**Rs.1,000/-**
Non filing of Returns for an employer	**Rs. 250/-**
Non-payment of tax by enrolled person & registered employer	Interest @ ***1.25% pm*** + Penalty *(max.)* of 50% of tax due.

- **ACCOUNTS** *[Sec – 19(1A)]*

  Books of accounts & other documents maintained to be preserved for **5 years** from the close of the year to which they relate.

Annexure 1

RATES OF TAX ON PROFESSIONS, TRADES, CALLINGS AND EMPLOYMENTS

SCHEDULE

[*See Section 3(2)*]

Sl. No.	Class Of Persons	Rate of Tax
1	Salary or wage earners whose salary or wage or both, as the case may be, for a month is,- (a) Omitted (b) Omitted (c) Omitted (d) not less than Rs.10,000 but less than Rs.15,000 (e) Rs.15,000 and above	 Omitted Omitted Omitted Rs. 150 pm Rs. 200 pm
2	Legal practitioners including Solicitors and Notaries Public:- (a) in the Bangalore Urban Agglomeration where standing in the profession is- (i) less than 10 years (ii) 10 years or more but less than 20 years (iii) 20 years or more (b) in any other area in the State is- (i) less than 10 years (ii) 10 years or more but less than 20 years (iii) 20 years or more	 Nil Rs. 1,500 pa Rs. 2,500 pa Nil Rs. 1,000 pa Rs. 1,500 pa
3	Technical and Professional Consultants other than those mentioned elsewhere in the Schedule but including plumbing and Tax consultants:- (a) in the Bangalore Urban Agglomeration where standing in the profession is- (i) less than 2 years (ii) 2 years or more but less than 5 years (iii) 5 years or more but less than 10 years (iv) 10 years or more (b) in any other area in the State is- (i) less than 2 years (ii) 2 years or more but less than 10 years (iii) 10 years or more	 Nil Rs. 1,000 pa Rs. 1,500 pa Rs. 2,500 pa Nil Rs. 1,000 pa Rs. 1,500 pa

4	(i) Chief Agents, Principal Agents, Special Agents, Insurance Agents and Surveyors or Loss Assessors registered or licensed under the Insurance Act, 1938 (Central Act IV of 1938) whose annual income is not less than Rs. 36,000. (ii) Pigmy Agents or UTI Agents whose annual income is not less than Rs. 36,000. **Explanation**: For the purpose of this item income shall be deemed to be the commission or any other remuneration by whatever name called, earned by the person as such Chief Agent, Principal Agent, Special Agent, Insurance Agent, Survey or Loss Assessor or Pigmy Agents or UTI Agents.	Rs. 1,500 pa Rs. 1,000 pa
5	Chartered Accountants and Actuaries where the standing in the profession is,- (i) Less than 2 years (ii) Not less than 2 years but less than 5 years (iii) 5 years or more	 Nil Rs. 1,000 pa Rs. 2,500 pa
6	Medical Practitioners, including Medical Consultants (other than practitioners of Ayurvedic, Homeopathic and Unani Systems of medicines), Dentists, Radiologists, Pathologists and persons engaged in other similar professions or callings of a para-medical nature:- (a) in the Bangalore Urban Agglomeration where standing in the profession is- (i) Less than 2 years (ii) 2 years or more but less than 5 years (iii) 5 years or more (b) in any other area in the State- (i) Less than 2 years (ii) 2 years or more but less than 5 years (iii) 5 years or more but less than 10 years (iv) 10 years or more	 Nil Rs. 1,000 pa Rs. 2,500 pa Nil Rs. 1,000 pa Rs. 1,500 pa Rs. 2,500 pa

Annexure 1

7	Engineers, RCC Consultants, Architects and Management Consultants- (a) in the Bangalore Urban Agglomeration where standing in the profession is- (i) Less than 2 years (ii) 2 years or more but less than 5 years (iii) 5 years or more (b) in any other area in the State- (i) Less than 2 years (ii) 2 years or more but less than 10 years (iii) 10 years or more	 Nil Rs. 1,000 pa Rs. 2,500 pa Nil Rs. 1,000 pa Rs. 1,500 pa
8	Members of Stock-Exchanges recognized under the Security Contracts (Regulation) Act, 1956	Rs. 2,500 pa
9	Estate agents or brokers, (i) in Bangalore Urban Agglomeration, (ii) in any other area in the State (a) Income tax payees (b) Other than (a) above	 Rs. 2,500 pa Rs. 1,500 pa Rs. 1,000 pa
10	Contractors executing works contract (as defined under the Karnataka Sales Tax Act, 1957 or the Karnataka Value Added Tax Act, 2003) where total consideration of all the contracts in a year is:- (i) less than Rs. 2 lakhs (ii) more than Rs. 2 lakhs but less than Rs. 10 lakhs (iii) more than Rs. 10 lakhs but less than Rs. 25 lakhs (iv) (iv) more than Rs. 25 lakhs	 Nil Rs. 1,000 pa Rs. 1,500 pa Rs. 2,500 pa
11	(i) Race horse owners and trainers licensed by the turf clubs. (ii) Jockeys licensed by the turf clubs / race clubs- (a) in case of Apprentice Jockeys (b) other than (a) above (iii) Bookmakers licensed by turf clubs	Rs. 2,500 pa Rs. 1,000 pa Rs. 2,500 pa Rs. 2,500 pa
12	Self-employed persons in the motion picture industries as follows: (a) Directors, Actors and Actresses (excluding Junior Artists), Playback Singers, recordists, editors (i) Income tax payees (ii) other than (i) above (b) Cameramen and still photographers	 Rs. 2,500 pa Rs. 1,500 pa Rs. 900 pa

13	Dealers registered or liable to be registered under the Karnataka Sales Tax Act, 1957 or the Karnataka Value Added Tax Act, 2003 whose total turnover in any year is- (a) Upto Rs. 2 lakhs (b) not less than Rs. 2 lakhs but less than Rs. 10 lakhs (c) not less than Rs. 10 lakhs but less than Rs. 25 lakhs (d) Rs. 25 lakhs or more	 Nil Rs. 1,000 pa Rs. 1,500 pa Rs. 2,500 pa
14	Occupiers of factories as defined under the Factories Act, 1948	Rs. 1,000 pa
15	Employers of establishments defined under the Karnataka Shops and Commercial Establishments Act, 1961,- (i) Where there are no employees (ii) Where not more than 5 employees are employed (iii) Where more than 5, but not more than 10 employees are employed (iv) Where more than 10 employees are Employed	 Nil. Rs. 1,000 pa Rs. 1,500 pa Rs. 2,500 pa
16	Owners of Oil Pumps and Service stations	Rs. 2,500 pa
17	(i) Licensed wholesale dealers of liquors other than toddy and arrack (ii) Licensed imported foreign liquor vendors Other than those specified in (i) above.	Rs. 2,500 pa Rs. 2,500 pa
18	(i) Owners of residential hotels or lodging houses having less than 20 rooms (ii) Owners of residential hotels or lodging houses having 20 rooms or more **Explanation** – For the purpose of this entry, "banking companies" shall include any bank whose operations are governed by the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949).	Rs. 1,500 pa Rs. 2,500 pa
19	(i) Owners of cinema theatres but excluding touring talkies. (ii) Owners of touring talkies (iii) Owners of video parlours	Rs. 2,500 pa Rs. 1,500 pa Rs.1,000 pa
20	Owners of transport vehicles (other than auto rickshaws) run on their own or through others under permits granted.- (a) owning only one vehicle (b) owning more than one vehicle	 Rs. 1,000 pa Rs. 2,500 pa
21	Money lenders licensed under the Karnataka Money Lenders' Act, 1961	Rs. 2,500 pa
22	Individuals or institutions conducting chit Funds	Rs. 2,500 pa

23	Cooperative Societies registered under the Karnataka Cooperative Societies Act and engaged in any profession, trade or calling.- (i) State level societies (ii) Cooperative sugar factories, spinning mills and banks (iii) District level societies (iv) Below district level but not below taluk level societies	 Rs. 2,500 pa Rs. 2,500 pa Rs. 1,500 pa Rs. 1,000 pa
24	Banking companies as defined in the Banking Regulations Act, 1949 **Explanation** – For the purpose of this entry, 'banking companies' shall include any bank whose operations are governed by the provisions of the Banking Regulation Act, 1949 (Central Act 10 of 1949).	Rs. 2,500 pa
25	*Companies registered under the Companies Act, 1956 and engaged in any profession, trade or calling.*	*Rs. 2,500 pa*
26	*Each partner of a firm engaged in any profession, trade or calling.*	*Rs. 1,000 pa*
27	Agriculturists growing plantation crops as defined in the Karnataka Agricultural Income Tax Act, 1957 (Karnataka Act 22 of 1957) (a) in extents of land exceeding 15 acres and less than 50 acres (b) in extents of land exceeding 50 acres	 Rs. 1,500 pa Rs. 2,500 pa
28	Photo laboratories, film processing laboratories and photo studios.- (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town (ii) in any other area in the State	 Rs. 1,500 pa Rs. 500 pa
29	a. Nursing home and hospital other than those run by the State or Central Government. b. Pathological testing laboratories and X-ray clinics.- (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town (ii) in any other area in the State.	Rs. 2,500 pa Rs. 2,500 pa Rs. 1,000 pa
30	Beauty parlours, dry cleaners and interior decorators- (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters / town (ii) in any other area in the State.	 Rs. 1,500 pa Rs. 1,000 pa
31	Film distributors	Rs. 2,500 pa
32	(a) Travel agents not falling under sub-item below.- (i) in the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town (ii) in any other area in the State. (b) Air travel agents	 Rs. 1,500 pa Rs. 1,000 pa Rs. 2,500 pa
33	Journalists	Rs. 1,000 pa
34	Advertising firms / agencies	Rs. 2,500 pa

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35	Persons using photocopying machines for job works	Rs. 1,000 pa
36	Video cassette libraries	Rs. 1,000 pa
37	Educational Institutions and Tutorial Colleges or Institutes (other than those owned by the State or Central Government or Institutions teaching Kannada or English shorthand or typewriting).	Rs. 2,500 pa
38	Persons owning / running STD/ISD/FAX Booths other than those owned / run by Government or physically handicapped persons.-	
	(i) In the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town	Rs. 600 pa
	(ii) In any other area in the State.	Rs. 300 pa
39	Persons providing entertainment using Dish Antennae and Cable TV-	
	(i) In the Bangalore Urban Agglomeration or within the Municipal limits of District Headquarters/Town	Rs. 1,500 pa
	(ii) In any other area in the State.	Rs. 1,000 pa
40	Property Developers including Land Developers and Building / Flat Developers	Rs. 2,500 pa
41	Persons owning / running,	
	(a) Computer Institutes selling time,	Rs. 2,500 pa
	(b) Computer Training Institutes / Driving Institutes / Technical Training Institutes	Rs. 1,500 pa
42	Persons owning Marriage Halls / Kalyana Mantaps.	Rs. 2,500 pa
43	Owners of bars and restaurants within the limits of City Municipal Corporation.	Rs. 2,500 pa
44	Licence Holders of distilleries, bottling units and vending of arrack (other than sub lessees)	Rs. 2,500 pa
45	(a) Cinematograph film processors.	Rs. 2,500 pa
	(b) Owners of outdoor film shooting units	Rs. 2,500 pa
46	Persons licensed or approved as contractors by the Railways, State or Central Government, Corporations, Local Authorities or any other person or agency, namely, Contractors constructing roads, dams, canals, bridges, culverts including civil or masonry work, railways sleeper contractors, forest contractors and electrical contractors; where the total consideration of all the contract in a year is.-	
	(a) Upto Rs. 2 lakhs	Nil
	(b) Rs. 2 lakhs and above but less than Rs. 10 lakhs	Rs. 1,000 pa
	(c) Rs. 10 lakhs and above but less than Rs. 25 lakhs	Rs. 1,500 pa
	(d) Rs. 25 lakhs and above	Rs. 2,500 pa
47	Transport contractors including forwarding and clearing agents	Rs. 2,500 pa
48	Bankers who are financing the trade against hundies or other securities by way of short term advance on interest.	Rs. 1,500 pa

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49	(a) Authorised Assistant recognized by Stock Exchange (b) Stock brokers, sub-brokers recognized by the Stock Exchange Board of India	Rs. 1,000 pa Rs. 2,500 pa
50	Persons running weigh bridges	Rs. 1,000 pa
51	(a) Persons operating courier service (b) Agents of courier service.- (i) in Bangalore Urban Agglomeration (ii) in any other area in the State.	Rs. 2,500 pa Rs. 600 pa Rs. 300 pa
52	Persons operating wireless services including pagers service.	Rs. 2,500 pa
53	(a) Persons operating mobile telephone service (b) Persons providing internet service running internet cafes, information kiosks. (c) Persons operating e-commerce business	Rs. 2,500 pa Rs. 2,500 pa Rs. 2,500 pa
54	Persons operating Air taxi and helicopter services	Rs. 2,500 pa
55	(a) Persons running clubs including recreation clubs (b) Persons operating gymnasium	Rs. 2,500 pa Rs. 2,500 pa
56	Persons organizing events, pageants, fashion shows and the like.	Rs. 2,500 pa
57	Persons operating city-taxi services (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 1,500 pa Rs. 1,000 pa
58	Persons providing bill boards	Rs. 1,000 pa
59	Designers and landscaping consultants, Vaastu, Fengshui and other similar consultants (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 1,500 pa Rs. 1,000 pa
60	Persons engaged in placement services	Rs. 2,500 pa
61	Persons running IT call centres	Rs. 2,500 pa
62	Multi-system operators (TV signal providers)	Rs. 2,500 pa
63	Yoga and Reiki Training Centres (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 1,500 pa Rs. 1,000 pa
64	Persons trading in REP licences and Exim Scrips	Rs. 2,500 pa
65	*Omitted*	
66	Persons running security services	Rs. 2,500 pa
67	Private radio broadcasters and operators	Rs. 1,500 pa
68	Astrologers, Astropalmists, Numerologists and Faith healers (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 1,500 pa Rs. 1,000 pa
69	Persons engaged in maintenance or running of vehicle including bicycle parking places or areas (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 2,500 pa Rs. 1,500 pa

70	Persons owning or running places providing massage, sauna and other health and beauty improvement services, (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 2,500 pa Rs. 1,500 pa
71	Persons acting as brokers, commission agents and the like for purchase and sale of old or used motor vehicles, (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 2,500 pa Rs. 1,500 pa
72	Persons acting as agents, consultants and the like for any company or firm engaged in any business, (i) in the Bangalore Urban Agglomeration (ii) in any other area in the State	 Rs. 2,500 pa Rs. 1,500 pa
73	Persons other than those mentioned in any of the preceding entries who are engaged in any profession, trade, calling or employment and who are paying tax under the Income Tax Act, 1961 (Central Act 43 of 1961)	Rs. 2,500 pa
74	Persons other than those mentioned in any of the preceding entries who are engaged in profession, trade, calling or employments as the State Government from time to time by notification specify	Rs. 1,000 pa

Explanation I - Notwithstanding anything in this Schedule, where a person is covered by more than one entry in the Schedule the highest rate of tax specified under any of those entries shall be applicable in his case.

Explanation II - For purposes of determining the liability and the rate of tax in terms of Serial Number 15 in this Schedule, the higher number of workers and / or employees and / or employees at any time during the year shall be reckoned as the basis.

Explanation III - For the purposes of Serial No. 16 of this Schedule where the oil pump or service station is held on lease by a lessee, such lessee shall be deemed to be the person liable under the Act.

Explanation IV - No tax shall be levied under this Act on any firm except when it is engaged in any profession, trade or calling specified in Serial Numbers 2(a)(iii), 3(a)(iv), 5(iii), 6(a)(iii), 6(b)(iv), 7(a)(iii), 8, 8(i), 10(iv), 11(i), 11(ii)(b), 11(iii), 13(d), 15(iv), 16, 17, 18(ii), 19(i), 20(b), 21, 22, 27(b), 29(a), 29(b)(i), 31, 32(b), 34, 37, 40, 41(a), 42, 43, 44, 45, 46(d), 47, 49(b), 51(a), 52, 53, 54, 55, 56, 60, 61, 62, 64, 66, 69(i), 70(i), 71(i), 72(i) and 73 of the Schedule.

Explanation V - No tax shall be levied under this Act on any partner of a firm, which is engaged in any profession, trade or calling specified in Explanation IV above.

Explanation VI - Notwithstanding anything contained in the Schedule, every branch of any self employed assessee enumerated in any item of the Schedule shall be deemed to be a separate assessee for the purpose of levy of profession tax specified in the Schedule.