Karnataka Budget Highlights 2013-14

Value Added Tax

VAT rates increased from 5% to 5.5% and 14% to 14.5% ***to end in July 2013***.
(So from August 2013 the VAT Rates would be 5% & 14%)

Reliefs

- Tax exemption on paddy, rice, wheat, pulses and products of rice and wheat ***continued for one more*** year from April, 2013.
- Tax on arecanut dehusking machine ***reduced*** from 14.5% to **5.5%**.
- Tax on cocoa husk ***reduced*** from 14.5% to **5.5%**.
- Tax on Refractory Monolithic Powder ***reduced*** from 14.5% to **5.5%**
- Taxation scheme on soya bean edible oil manufacturing unit suitably modified.
- Tax on purchase of supplementary nutrition food made under the Integrated Child Development Scheme for supply to Children, pregnant women / nursing mothers and adolescents by Anganawadi Centres run by Women and Child Welfare Department, ***reduced*** from 14.5% to **5.5%**
- Tax on domestic containers ***reduced*** from 14.5% to **5.5%**
- Footwear costing up to two hundred rupees per pair exempted from tax.
- Tax on doors and window frames and door and window shutters made from waste plastic ***reduced*** from 14.5% to **5.5%**
- Air compressors and their parts including engines included in the list of capital goods liable for 5.5% tax.
- Payment of **50%** of disputed amount currently required to be made by the dealers **for filing appeals** against orders demanding tax in excess of the amounts declared by them and **for obtaining stay** for its recovery reduced to payment of **30%**.
- The current time of **ten days** given for payment of additional tax demanded on assessment and reassessments increased to **thirty days**.

Entry tax

Relief

Threshold of **two lakh rupees** for registration under Entry Tax Act increased to **five lakh rupees**.

Professions Tax

Rationalization measure

Provision for filing of appeal even against best judgment assessment order.

Excise

- Excise Department likely to exceed revised target of Rs. 11,200 crores fixed for 2012-13.
- The revenue collection target of Rs. 12,400 crores fixed for year 2013-14.
- 17 slabs of declared prices relating to Indian Made Foreign Liquor increased by Rs. 40 each.
- License fee for transfer of retail liquor license (CL-2) and bar and restaurant license (CL-9) from one person to another doubled. It is proposed to double the license fee collected for such transfer.
- Electronic payment facility for payment of excise duty and other amounts by distilleries and breweries.
- A system of online issue of No Objection Certificate allotment of rectified spirit to distilleries.

Stamps and Registration

- Revenue collection target of Rs.5,200 Crore fixed for the department likely to be exceeded.
- For the year 2013-14, a revenue collection target of Rs. 6,100 Crore fixed.
- A cap of Rs. 1.5 lakhs fixed on registration fee of 1% payable on Joint Development Agreement and related Power of Attorney.

Motor Vehicle Taxes

- Revenue collection target of Rs. 3350 Crores for 2012-13 likely to be exceeded.
- Collection target fixed at Rs. 4,008 Crores for year 2013-14.
- Lifetime tax to be collected on construction equipment vehicles in one instalment instead of two instalments.
- Electronic payment facility for payment of tax and fees in respect of motor vehicles.