THE KARNATAKA HEALTH CESS ACT, 1962

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STATEMENT OF OBJECTS AND REASONS

I

Act 28 of 1962.- In accordance with the provisions of the Mysore Health Cess Act, 1951, health cess at the rate of half anna in the rupee is being levied on all items of land revenue in the area of the former State of Mysore. Provision also exists in the Act to levy the cess at a rate not exceeding one anna in the rupee on other items of revenue. In the merged areas of Bombay, Coorg, Hyderabad and Madras no health cess is being levied. Levy of this cess throughout the new State of Mysore is considered necessary to implement a programme of adequate health service to the citizens of the State and unless suitable enactment applicable to the entire State is made, no cess can be levied in the merged areas.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A, dated 27th August 1962 as No. 165 at page. 5.)

II

Amending Act 19 of 1968.—The Explanation to item 1 of Schedule A to the Mysore Health Cess Act, 1962 (Mysore Act 28 of 1962) and item 2 of the said Schedule relating to levy of health cess on water rate are held to be invalid in certain decisions of courts. In view of this, they are proposed to be omitted from the said Schedule. It is also proposed to clarify that the levy of health cess under item 3 of Schedule A is on cinematograph shows only. Incidentally reference to 'naya paisa' is proposed to be made in terms of 'Paisa'.

Hence this Bill.

698 at page. 42.)

III

Amending Act 33 of 76.—At present, Education Cess of five paise in the Rupee and Health Cess of nine paise in the Rupee are levied on Land Revenue, Excise Duty and Property and Profession Taxes collected by the Municipalities.

The said rates were fixed long ago. It is necessary to augment the revenues of the State, specially for meeting the increasing expenditure on provision of nutrition to the school-going children through mid-day meals and for a more intensive programme of construction of primary school buildings in rural areas.

It is therefore proposed to amend the Karnataka Compulsory Primary Education Act, 1961, and the Karnataka Health Cess Act, 1962, to raise the rates of Education Cess and Health Cess respectively.

Hence the Bill.

[1][KARNATAKA][1] ACT No. 28 OF 1962

(*First published in the*[1][Karnataka Gazette][1] *on the Twenty-fourth day of September, 1962*.)

THE [1][KARNATAKA][1] HEALTH CESS ACT, 1962.

(Received the assent of the Governor on the Twenty-second day of September, 1962.)

(As amended by Karnataka Acts 19 of 1968 & 33 of 1976.)

An Act to provide for the levy of health cess on certain items of revenue in the [1][State of Karnataka][1].

WHEREAS it is expedient to provide for the levy of a health cess on certain items of revenue in the [1][State of Karnataka][1];

BE it enacted by the [1][Karnataka State][1] Legislature in the Thirteenth Year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973

1. Short title, extent and commencement.—(1) This Act may be called the [1][Karnataka][1] Health Cess Act, 1962.

1. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973 (2) It extends to the whole of the [1][State Karnataka][1].

1. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973 (3) It shall be deemed to have come into force on the first day of April 1962.

2. Definitions.—In this Act,—

(1) "local authority" means a municipal corporation, a municipal committee, a town committee, a municipal council, a borough municipal council, a sanitary or town board, a notified area committee, a taluk development board, a village panchayat or any authority established for the purpose of local self-government or village administration;

(2) "notification" means a notification published in the official Gazette.

3. Levy of health cess.—There shall be levied and collected a health cess at the rate of [1][fifteen paise][1] in the rupee on,—

1. Substituted by Act 33 of 1976 w.e.f. 1.4.1976.

(i)all items of land revenue;

(ii)the items of State Revenues mentioned in Schedule A; and

(iii)the items of taxes mentioned in Schedule B levied under any law for the time being in force by a local authority.

4. Recovery of health cess.—The health cess payable under section 3 shall be levied, assessed and recovered along with the items of land revenue, State revenue or tax on which such cess is levied, and the provisions of the law and the rules, orders and notifications made or issued thereunder for the time being in force, shall apply to the levy, assessment and recovery of the health cess as they apply in respect of the levy, assessment and recovery of the said items of land revenue, State revenue or tax.

[1]**[4A. Local authorities entitled to cost of collection of health cess.**—Where the health cess under this Act is recovered by a local authority, such local authority shall be entitled to deduct ten per cent of the amount recovered as the cost of collection, and the balance shall be paid to the State Government.][1]

1. Section 4A Inserted by Act 19 of 1968 w.e.f. 7.11.1968

5. Cess to be collected to the nearest [1][paisa][1].—In the determination of the amount of health cess payable under this Act, fractions of a [1][paisa][1] less than half a [1][paisa][1] shall be disregarded and fractions of a [1][paisa][1] equal to or exceeding half a [1][paisa][1] shall be regarded as one [1][paisa][1].

1. Substituted by Act 19 of 1968 w.e.f. 7.11.1968

6. Levy of cess under other Acts not affected.—Nothing in this Act shall affect the operation of the provisions of any other Act and the levy of the health cess under this Act is in addition to, and not in lieu of, any other duty or cess that may be levied under any other law for the time being in force.

7. Power to make rules.—(1) The State Government may, by notification, make rules for the purpose of carrying out the provisions of this Act.

(2) Every rule made under this Act 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 successive sessions, and if before the expiry of the session in which it is so laid or the session 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.

8. Repeal.—The Mysore Health Cess Act, 1951 (Mysore Act No. XVIII of 1951) is hereby repealed.

SCHEDULE A.

1. Duties of excise leviable by the State under any law for the time being in force in any area of the State, on the following goods manufactured or produced in the State and countervailing duties levied on similar goods manufactured or produced elsewhere:—

(*a*) Alcoholic liquors for human consumption:

(*b*) Opium, Indian hemp and other narcotic drugs and narcotics.

[1][Explanation x x x][1]

[1][2. x x x][1]

1. Omitted by Act 19 of 1968 w.e.f. 7.11.1968

3. Tax on cinematograph shows leviable by the State [1][under section 4 of the [2][Karnataka][2]Entertainments Tax Act, 1958][1].

1. Substituted by Act 19 of 1968 w.e.f. 1.4.1962
2. Adapted by the Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973

SCHEDULE B.

The following taxes leviable by local authorities under any law for the time being in force, namely:—

1. Taxes on lands and buildings.
2. Taxes on vehicles.

[1] [3. x x x] [1]

1. Omitted by Act 33 of 1976 w.e.f. 1.4.1976

[1][3.][1] Taxes on advertisements.

1. Re-numbered by Act 33 of 1976 w.e.f. 1.4.1976

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