



KARNATAKA LEGISLATIVE COUNCIL
ONE HUNDRED AND FIFTY EIGHTH SESSION
(Adjourned Meetings)

**THE KARNATAKA TAX ON PROFESSION, TRADES, CALLINGS AND
EMPLOYMENTS (AMENDMENT) BILL, 2026**

(LA Bill No. 08 of 2026)

(As passed by the Karnataka Legislative Assembly)

A Bill further to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976.

Whereas, it is expedient further to amend the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the Seventy seventh year of the Republic of India as follows.-

1. Short title and commencement.- (1) This Act may be called the Karnataka Tax on Profession, Trades, Callings and Employments (Amendment) Act, 2026.

(2) It shall come into force with effect from the first day of April, 2026.

2. Amendment of section 10.- In the Karnataka Tax on Profession, Trades, Callings and Employments Act, 1976 (Karnataka Act 35 of 1976), in section 10, in sub-section (1), after the second proviso the following provisos shall be inserted, namely:-

“Provided also that, every enrolled person who has paid the tax payable by him under this Act for a year shall be deemed to have furnished the return for that year.

Provided also that, the Commissioner may, by notification, exempt any class of enrolled persons from furnishing the return, subject to such conditions and safeguards as may be specified in such notification.”

STATEMENT OF OBJECTS AND REASONS
(As appended to at the time of Introduction)

The Karnataka Tax on Professions, Trades, Callings and Employments Act 1976 (Karnataka Act 35 of 1976) provides for levy and collection of tax on professions, trades, callings and employments and also prescribes procedural requirements for enrolment and filing of returns by enrolled persons.

Under the existing provisions of section 10 of the said Act, every enrolled person is required to furnish a return, even in cases where the enrolled person has paid the maximum tax prescribed under the said Act for the relevant year. This has resulted in avoidable compliance burden on taxpayers and unnecessary administrative processing by the Commercial Tax Department, without any corresponding revenue benefit.

With a view to simplifying compliance, reducing paperwork, and facilitating ease of doing business, it is proposed to deem the furnishing of return in cases where an enrolled person has paid the tax payable by him under the Act for a year. Further, it is also proposed to empower the Commissioner to exempt, by notification, specified classes of enrolled persons from furnishing returns, subject to such conditions and safeguards as may be specified in the notification.

Proposed amendment seeks to streamline tax administration, improve voluntary compliance, and enable efficient deployment of departmental resources.

Hence, the Bill.

FINANCIAL MEMORANDUM

There is no extra expenditure involved in the proposed Legislative measure.

SIDDARAMAIAH

Chief Minister and
Minister for Finance

K.R. MAHALAKSHMI

Secretary
Karnataka Legislative Council

ANNEXURE**EXTRACT FROM THE KARNATAKA TAX ON PROFESSION, TRADES, CALLINGS AND EMPLOYMENTS ACT, 1976 (KARNATAKA ACT 35 OF 1976)****XXX****XXX****XXX**

10. Payment of Tax and filing of return by enrolled persons and deduction of tax in the case of certain enrolled persons.- (1) Every enrolled person shall pay the tax payable by him under this Act and file his return before the assessing authority, in such manner and such form as may be prescribed.

Provided that, a person liable to be enrolled shall be deemed to have enrolled for the purpose of payment of tax under this Act, notwithstanding that he has failed to do so.

Provided further that, the specified class of enrolled persons as may be notified by the Commissioner shall pay the tax payable, by electronic remittance through internet and also submit the return in the prescribed form, electronically through internet, in the manner specified in the said notification.

(2) The amount of tax due from enrolled persons for each year as specified in their enrolment certificates shall be paid,-

(a)	in respect of a person who stands enrolled before the commencement of a year;	Before 30th April of that year
(b)	in respect of a person who is enrolled after the commencement of a year.	Within one month from the date of enrolment.