

## PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

**Sub:** Collection of Cess at the rate of 1 % of the cost of the Construction incurred by the builder/employer etc; under the Building & Other Construction Workers Welfare Cess Act, 1996.

- Read:** 1] Central Government Notification dated 26<sup>th</sup> September 1996.  
2] Government Notification No. LD 163/LET/2004 dated 1<sup>st</sup> November 2006.

### Preamble:

The Government of Karnataka with a view to enforce the provisions of the Building & Other Construction Workers [Regulation of Employment & Conditions of Service] Act 1996 [hereinafter referred to as the main Act] has formulated rules namely the Building and & Other Construction Workers [Regulation of Employment & Conditions of Service] Rules, 2006 vide Govt. Notification read at [2] above.

The Central Government has enacted a legislation namely the Building & Other Construction Workers Welfare Cess Act, 1996 and framed Rules there under, which provides for the levy and collection of cess on the cost of construction incurred by employers / builders for augmenting the resources of Building and Other Construction Workers Welfare Board constituted under the main Act. The Central Government's Notification has prescribed collection of cess at the rate of 1% of the cost of construction incurred by employer which shall exclude the cost of land and any compensation paid or payable to a worker or his kin under Workmen Compensation Act 1923. Levying and collection of cess is on the cost of construction in respect of Building or other Construction Works as defined under Section 2[d] of the main Act.

