

EXCISE TAX AND ITS SOCIO-ECONOMIC DIMENSION: A CASE STUDY OF KARNATAKA

Excise tax being a part of a taxation levied by the State on alcohol products. In Karnataka, next to Sales tax, second highest revenue collection is made through State excise. Thus, revenue earned through consumption or sale of alcohol indicates that alcohol consumption is rampant, and it inversely affects consumers or peoples health, income, his ability to do work, social behaviour etc,. Regular consumption of alcohol will not only ruin health but also one's earning capacity, leading to family discord, accidents and cost in damages, cost of hospital treatment, monetary damages in courts, and inducement to crime etc. In this background it very necessary to understand "Socio-Economic Dimension of the Excise Tax" in the State. The study mostly depended on secondary data. Thus, no doubt, it is a limited study, but it is significant because an attempt is been made to collect the relevant information and data and to assess the position. The study is divided into 6 chapters. Chapter-I contains introduction and historical significance of taxation, taxation in Karnataka, introduction of tax on alcohol etc. Chapter-II explains the "Socio-economic profile of Karnataka", Agriculture development, Industries, Infrastructure facilities, State income and other important socio-economic indicators. Chapter-III explains Karnataka State Excise Department's organizational structure and its functions, responsibilities. Chapter-IV devoted on Karnataka's State excise tax collection from wine, beer, brandy, whisky and from arrack rentals. Further, data on consumption of liquor and its steady increase from last 11 years, District wise consumption of liquor data, type of liquor brands demanded by consumers in various districts. Chapter-V is devoted towards Excise tax and Alcohol consumption: its impact on society, social problems,

alcoholism and remedial measures taken by the government to control alcohol abuse. Chapter-VI dealt with conclusion and suggestions.

In conclusion, the State Government of Karnataka which controls the regulation of liquor trade earns crores of rupees through excise tax, every year. The rate of drinking would certainly accelerate as long as our social structure and economic system continues to produce economic inequality, injustice, poverty, frustration and deprivations among unemployed youth. Thus, it is very necessary that the State Government which controls liquor trade to implement a policy and programmes to create more employment to reduce income inequality and to remove frustration and deprivation from the minds of unemployed youth. Further, the Government also educate about the ill effects of alcohol by roping in social organizations and N.G.Os and propagate widely about the harm and hurt that alcohol can bring to a person's life and to society will greatly help to control the use of alcohol. If the lives of the people are made meaningful, rewarding and satisfying, the need for alcohol will be reduced to some extent and in the long run the psychological and sociological effects of alcoholism on society will disappear.

Suggestions made are that it is very necessary to promote low alcohol content spirits to avoid people becoming alcoholics. Alcohol should be brought under the drug act (The Narcotic Drugs and Psychotropic Act-1985). Because, it has a habit-forming content which is both depressant and narcotic in its effects upon the human organism. Offences done under the influence of alcohol should be brought under the Drug Act of 1985. Government should create awareness in the general public with respect to "Safe drinking" by earmarking at least 5% of the excise revenue. Liquor bottle labels, arrack sachets should have message like "Excess drinking is

dangerous to health”. Section 36 of the Excise Act prescribes penalties for the sale of liquor to persons below 21 years of age. Rule 10 of the Karnataka Excise Licenses (general conditions) Rules of 1968 prohibits such sale to those below the age of 18. These rules should be strictly implemented.

Key Words

Alcoholics, Excise, Intoxicant, Social Dimension, Taxation, Temperance,

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