

Circular No – 027/2025

Date: 16.04.2025

To
All Members of The Association

**Property Taxes in Special Investment Regions
to be paid to KIADB only**

1. Karnataka Special Investment Region Act 2022 (KSIR Act) aims to establish, operate, regulate and manage the large or Mega or Super Mega size Investment Regions and Industrial Areas or clusters in the State of Karnataka and to retain position of Karnataka as a global manufacturing hub, specially enabling economic activity, supported by world class infrastructure, premium civic amenities, centres of excellence and proactive policy framework and for setting up an organizational structure with that purpose and for the matters connected therewith or incidental thereto.
2. Chapter II of the Act contains the provisions for Declaration of Special Investment Region. Section 3 of the Act reads as under:
“(1) The State Government may, by notification in the official Gazette, declare an existing or proposed investment region or industrial area to be a Special Investment Region and determine the geographical area of the Special Investment Region for carrying out the purposes of this Act.

(2) An investment region or industrial area declared as a Special Investment Region may be known with the name of its location or its predominant economic activity.

(3) Every notification issued under sub-section (1) shall be laid before the State Legislature, as soon as may be possible, after it is issued."

3. Section 4 of the Act provide as under:

"4. Special Investment Region to be out of jurisdiction of the local authority.-

(1) A Special Investment Region declared under this Act, shall cease to be under the jurisdiction of a local authority to the extent it relates to the provisions made under this Act.

(2) While preparing the development plan for the Special Investment Region, the Regional development authority shall take into account the development plan if any, prepared by the respective local authority for the concerned village site area (gramtana) of the village panchayat, municipal area, municipal corporation, Bruhat Bengaluru Mahanagara Palike area, Planning Authority, Metropolitan Planning Committee or BMRDA and the adjacent area thereof:

Provided that, the Government may declare the adjacent area of a village panchayat, municipality, municipal corporation or Bruhat Bengaluru Mahanagara Palike, from time to time."

4. Section 5 of the Act contains the provision relating to Establishment of Apex Authority for the purpose of implementing the provisions of the Act. Section 5 of the Act reads as under:



“Establishment of the Apex Authority.- The Karnataka Industrial Area Development Board (KIADB), established under section 5 of the Karnataka Industrial Areas Development Act, 1966 (Karnataka Act 18 of 1966), shall be the Special Investment Region Apex Authority, hereinafter called Apex Authority, for the purposes of this Act.”

5. In terms of the above provision, the Karnataka Industrial Area Development Board has issued a public notification dated 09.04.2025. A copy of which is enclosed.
6. The notification inter-alia specified the geographical area and the Regional Development Authority. The notification further stipulates that on and from the date of notification, Regional Development Authority, KIADB shall act as authority for the local administration, taking decisions and steps for assessment, imposition and recovery of taxes for the said reason. Accordingly, KIADB is empowered to collect the property taxes in these notified special investment regions with effect from 01.04.2025.
7. The notification further stipulates that henceforth BBMP/Municipal Corporate /Town Municipalities/ Gram Panchayaths will not collect the property taxes within the SIR jurisdiction and the same will be collected by the KIADB.
8. A copy of the public notification as appeared in the press is attached.

The members may please note that the above would be





**applicable only to the notified special investment Regions
under the Act.**

**For KARNATAKA EMPLOYERS' ASSOCIATION
Sd/
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Karnataka Industrial Areas Development Board

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No. KIADB/CEO&EM/64/2025-26

Date:09.04.2025

"Public Notification"

Special Investment Region (SIR) Act has been enacted to establish, operate, regulate, and manage large/ Mega/ Super Mega-size Investment Regions and Industrial Areas in Karnataka. Now, Karnataka Industrial Area Development Board (KIADB) has been appointed as the Apex Authority to administer the notified Special Investment Region (SIR). Hence, in exercise of the powers vested as per sub-section (1) of section 3 of the Karnataka Special Investment Region Act 2022, (Karnataka Act 5 of 2023), the Government has notified some of its industrial areas as "Special Investment Region" (SIR). Further, the Government has designated KIADB as the Regional Development Authority (RDA) for these SIRs. The details of SIRs notified as on date are as follows:

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| 1. Apparel Park 1st Phase, Apparel Park 2nd Phase, Obadenahalli (Doddaballapura 3rd Phase) Industrial Area, Adinarayana Hosahalli (Doddaballapura 4th Phase), Doddaballapura General Industrial Area Industrial Area. | 9.Hassan Growth Centre, Growth Centre Sub-Layouts, Hassan Textile Zone, Biotechnology & Pharma Zone Hassan Taluk, Hassan District |
| 2. Dobaspet 1st & 2nd Phase, Dobaspet 3rd phase (Sompura 1st & 2nd Stage), Dobaspet 4th Phase (Avverahalli), Dobaspet 5th Phase Industrial Area. | 10.Badanguppe–Kellamballi Phase-1, and Badanguppe–Kellamballi Phase-2 Industrial Area Chamarajanagara District. |
| 3. Bidadi 1st & 2nd Phase(Sector1 & 2) Industrial Area. | 11.Kadachur Industrial Area, Gurminkal Taluk, Yadgiri District |
| 4.Kadakola, Adakanahalli, Kochanahalli, Immavu, Thandya 2nd Phase 1st stage, Thandya 2nd Phase, Thandya Industrial Area, Women's Entrepreneurs Park 1st & 2nd Phase, SUC, Film City. | 12.Raichur Growth Centre Industrial Area, Raichur District. |
| 5.Hebbala, Hootagalli, Belavaadi, Belagola, Koorgalli, Hebbal 2nd Phase Industrial Area, M/s BEML (SUC) Industrial Area. | 13.Narasapura, Jakkasandra 1st & 2nd Phase, Bavanahalli Industrial Area. |
| 6.Vasanthanarasapura 1st phase, Vasanthanarasapura 1st phase (Annexe), Vasanthanarasapura Industrial Area, Phase-2 and Vasanthanarasapura 3rd phase Industrial Area, Tumakuru. | 14. Hi Tech Defence & Aerospace Park, Phase-1(Hardware Sector), Hi Tech Defence & Aerospace Park, Phase-1(IT Sector), Hi Tech Defence & Aerospace Park, Phase-1(Aerospace Sector), Hi Tech Defence & Aerospace Park, Phase-1(Aerospace SEZ Sector), |
| 7. Gowribidanur 1st, 2nd & 3rd Phase Industrial Area. | 15.Naubad and Kolhar Phase-1 Industrial Area, Noubad Housing & Autonagar, Kolhar Phase-2 Industrial Areas. |
| 8.Harohalli 1st, 2nd & 3rd Phase Industrial Area. | 16.Bommasandra 1st, 2nd, 3rd & 4th Phase Industrial Area, Bommasandra -Jigani Link Road Industrial Area, |
| | 17. Mummigatti, Belur, Mummigatti Village, Narendra & Mummigatti Part-2 (Guggiagatti) Industrial Area. |

Further, on and from the date of notification, the Regional Development Authority (KIADB) shall act as the Authority for local administration, taking decisions and steps for assessment, imposition and recovery of taxes for the said region. Accordingly, the KIADB is empowered to collect the Property Taxes in these notified Special Investment Regions with effect from 1st April 2025.

Henceforth, BBMP/Municipal Corporations/Town Municipalities/ Gram Panchayats are hereby informed that hereafter, the prevailing taxes of the Industrial units/plots within the SIR jurisdiction will be collected by KIADB and the Entrepreneurs/Allottees of the notified SIRs are hereby informed to pay the prevailing property taxes to KIADB only.

Sd/-

Chief Executive Officer and
Executive Member KIADB, Bengaluru