

for counselling-based transfers up to the rank of Joint Commissioner.

498. The revenue target for commercial tax for the financial year 2026–27 is Rs.1,25,000 crore.

EXCISE

499. The Karnataka Excise Act is more than six decades old, and several of its provisions are outdated in the today's context. Over the past two years, we have undertaken significant steps to enhance transparency and efficiency in the Department. The validity of various licences has been extended from one year to five years. The online approval process has been streamlined from 16 stages to 7 stages, and approvals are now granted within two days.

500. In accordance with the revised transfer rules of Excise Department, the transfers of Group-C cadre, including Excise Inspectors, Excise Sub-Inspectors, and Excise Head Constables/Constables, have been carried out

through digital counselling. To further enhance transparency in the Excise Department, steps will also be taken to conduct the transfers of Excise Deputy Superintendents and Excise Superintendents through digital counselling.

501. The Resource Mobilisation Committee (RMC) constituted by our Government will shortly submit its draft report outlining the principles for a modern excise taxation and alcohol regulatory framework. The proposed reforms aim to strengthen transparency, modernize excise related regulatory framework and promote ease of doing business in the excise sector across the State as per current requirements.
502. An Alcohol-in-Beverage (AIB) based excise duty structure is globally recognised as the gold standard for alcohol taxation, as it directly targets the alcohol content which is the primary source of negative externalities. This will be introduced from April 2026.

503. There will be a uniform level of ED whereas AED will be levied within a defined range based on an ex-factory price slab basis. We will ensure that the price changes are gradual and not disruptive.
504. The system of levying uniform excise duty based on the alcohol content per litre will be introduced in stages in the next three to four years.
505. Under the new policy, the government administered price fixation will be completely deregulated. Product placement within slabs will be left to the producers based on market considerations.
506. Pricing slabs will be rationalised and reduced to 8 slabs from the existing 16 slabs.
507. The Excise Department will focus on taxation and compliance, while the Health Department will address the social costs of alcohol consumption through public health

interventions, de-addiction and rehabilitation initiatives.

508. Technology-driven reforms are being rolled out to curb revenue leakages through blockchain-based digital tracking systems. Physical escorts for dispatches will be replaced with geo-fenced e-lock systems. These measures will enhance transparency and enable real-time oversight.
509. Manufacturing licences will be auto-renewed, and label approvals, CL-5 (occasional licences) and RVB licences (for a period of five years) will be auto-generated upon online self-declaration and payment of fees, with deemed approval and no manual intervention. Distilleries and breweries will be permitted 24-hour operations and dispatch. The requirement to display mandatory malt and sugar content on beer labels will also be removed.
510. Tourism in the alcohol sector will be encouraged by allowing distilleries and breweries to conduct tasting sessions and sell

products manufactured on their premises to visiting tourists.

511. The draft RMC Report will be placed in the public domain shortly for consultations. Beyond the measures rolled out above, those reforms that require legislative approval, will be introduced in the form of a new and comprehensive Excise Bill in order to promote transparency and ease of doing business in the sector.
512. Revenue collections in the financial year 2025–26, up to February, have reached Rs.36,492 crore, reflecting a growth of 12.7% compared to the corresponding period of the previous year.
513. The revenue collection target from State Excise for the financial year 2026–27 is Rs.45,000 crore.