

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2911  
ANSWERED ON:26.11.2010  
LEVY FOR ACCIDENT VICTIMS  
Gaddigoudar Shri P.C.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Union Government has dropped Apex Court's suggestion to levy a tax on fuel to fund road accident victims; and
- (b) if so, the details thereof alongwith the status of the proposal?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a): No, Sir.

(b): Hon'ble Supreme Court in its judgment dated 17.12.2009 given in an SLP (Civil) No. 11801-11804 of 2005 in the matter of Shri Jai Prakash Vs. National Insurance Co. Ltd. & others has inter-alia suggested to collected one time (which is life time) third party insurance premium by a Central Insurance Agency in respect of every vehicle sold and supplement/ augment it by an appropriate road accident cess/ surcharge on the price of petrol / diesel. The Ministry of Road Transport & Highways has constituted an Expert Committee under the Chairmanship of Shri S. Sundar, Distinguished Fellow, Tata Energy Research Institute and Former Secretary, erstwhile Ministry of Surgface Transport to review the Motor Vehicles Act, 1988 and to make suitable recommendations to amend it including the above suggestion of the Hon'ble supreme Court. At present the Committee is seized of the issue.