

**GOVERNMENT OF INDIA  
ROAD TRANSPORT AND HIGHWAYS  
LOK SABHA**

UNSTARRED QUESTION NO:743  
ANSWERED ON:19.03.2012  
ROAD TAX  
Owaisi Shri Asaduddin

**Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:**

- (a) whether at present road tax varies from State to State;
- (b) if so, whether a panel set up by the Government has recommended a flat 6 percent of sale price of the vehicle as one time road tax in the country;
- (c) the rates at present in vogue in different States;
- (d) whether buyers are preferring purchase of vehicle from States where road tax is less;
- (e) whether any consultations have been held with State Governments in this regard; and
- (f) if so, the outcome thereof and time by which a final decision is likely to be taken in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (DR. TUSHAR A. CHAUDHARY)

- (a) Taxes levied on vehicles at the time of registration vary across States.
- (b) To bring uniformity in the taxes levied on motor vehicles across States/Union Territories, the Group set up under the Task Force of Transport Development Council (TDC) has recommended a floor rate of 6% of sale price for two-wheelers, cars, light motor vehicles, taxies, maxi cabs, goods vehicles with Gross Vehicle Weight up to 10 ton.
- (c) At present, the tax rate across the States vary from 2% to 18% The State-wise details of taxes levied on various kinds of vehicles are enclosed at Annexure.
- (d) The decision to purchase a vehicle by a buyer in a particular State cannot be contributed to a single factor as it depends on a number of factors which, inter alia, includes State Value Added Tax, tax on motor vehicle, condition of road network, levels of income etc.
- (e) & (f) The Group set up under Task Force of Transport Development Council to recommend measures for Rationalisation of Motor Vehicle Taxes consisted of representatives of Transport Departments of Governmentsof Gujarat, Karnataka, Maharashtra, Punjab and Uttar Pradesh. The recommendations of this Group were discussed in the 34th meeting of Transport Development Council (TDC) held under the Chairmanship of Hon'ble Minister of Road Transport & Highways on 13th February, 2012 at New Delhi. As a follow up of the TDC meeting, an Empowered Group of State Transport Ministers has been constituted on the issue of Rationalisation of Motor Vehicle Taxes.