

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

STARRED QUESTION NO:278  
ANSWERED ON:08.12.2009  
ROAD TAX  
Pradhan Shri Amarnath

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

- (a) whether the Union Government had constituted a Committee to examine the issues pertaining to the Motor Vehicle Taxation Regime, the system of one-time payment of Road Tax and uniformity in the rate of Composite Tax for National Permit throughout the country;
- (b) if so, the terms of reference and composition of the Committee;
- (c) whether the Committee has since submitted its report;
- (d) if so, the findings thereof; and
- (e) the follow-up action taken thereon?

**Answer**

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS (SHRI KAMAL NATH)

(a)&(b) A Committee under the chairmanship of Secretary (Road Transport and Highways) was constituted to look into the issues relating to National Permit system and rationalization of motor vehicle taxes. The composition and terms of reference of the Committee are at Annexure.

(c)&(d) The Committee has prepared a draft report inter-alia recommending collection of a lumpsum amount of composite fee of Rs. 15,000/- per annum per vehicle allowing the vehicle to ply throughout the country which could be redistributed amongst the States on the basis of an agreed formula. The draft report also envisages implementation of e-payment system of collection of composite fee on National Permit.

(e) The draft report was discussed in the meeting of the Principal Secretaries (Transport) of the States/Union Territories on 23.9.2009 to evolve a consensus. The report of the Committee would also have to be deliberated by the Transport Development Council comprising State Transport Ministers under the chairmanship of Hon'ble Minister of Road Transport and Highways.

Annexure referred to in reply to part (a) & (b) of the Starred Question No. 278 for answer on 8.12.2009 regarding Road Tax asked by Shri Amarnath Pradhan

The composition and terms of reference of the Committee to look into the issues relating to National Permit system and rationalization of motor vehicle taxes are as under:

A- COMPOSITION:

- 1) Shri Brahm Dutt, Secretary, M/o Road Transport & Highways (RT&H) - Chairman.
- 2) Finance Secretary, Government of Andhra Pradesh - Member
- 3) Finance Secretary, Government of Maharashtra - Member
- 4) Finance Secretary, Government of Gujarat - Member
- 5) Transport Commissioner, Government of Punjab - Member
- 6) Transport Commissioner, Government of Karnataka - Member
- 7) Transport Commissioner, Government of Tamil Nadu - Member
- 8) Transport Commissioner, Government of West Bengal - Member
- 9) Adviser (Transport Research), M/o Shipping, Road Transport & Highways - Member
- 10) Managing Director, Transport Corporation of India - Member
- 11) Four representatives from All India Motor Transport Congress (AIMTC) - Member
- 12) Shri S.K. Dash, Joint Secretary (Transport), M/o RT & H - Convener.

B - TERMS OF REFERENCE:

- i) To assess gross revenue earned by the various States/UTs on account of composite fee on National Permit.
- ii) To work out a mechanism for grant of National Permit by the home State on payment of lumpsum amount on yearly basis and

distribution thereof amongst all the States/UTs on the basis of the share of the kilometers of National Highways passing through respective States/ UTs or on the basis of the any other acceptable analogy.

(iii) To assess likely loss/gain of revenue of all the States/UTs on account of introduction of the new policy for collection of composite fee.

(iv) To recommend the quantum of composite fee on National Permit trucks to be charged on annual basis upfront so as to make it acceptable and user friendly to all the stakeholders including States/UTs.

(v) To suggest a uniform rational structure for taxes on other transport vehicles including passenger buses.

(vi) Any other matter that may be referred by the Government relating to taxation on motor vehicles.