

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

UNSTARRED QUESTION NO:1074
ANSWERED ON:17.07.2014
RATIONALIZE MOTOR VEHICLE TAXES
Shanavas Shri M. I.

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

- (a) whether the Government proposes to implement the recommendations of the Official Committee set up for Rationalization of Motor Vehicle Taxes to levy lifetime tax at floor rate of 6% of the sale price on two wheeler/car/LMV;
- (b) if so, the details thereof;
- (c) whether the Government has urged the State Governments to rationalize motor vehicle taxes and develop a system for seamless movement of vehicles across the country; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI KRISHANPAL GURJAR)

(a) Yes, Madam.

(b) Taxation of motor vehicle is a State subject and it is governed by the respective State laws/rules. The issue regarding rationalization of motor vehicle taxes was discussed in the 34th meeting of Transport Development Council (TDC) held on 13.02.2012 and again in the 35th meeting held on 23.10.2013 under the Chairmanship of Union Minister for Road Transport and Highways. The TDC decided to rationalize the motor vehicle taxes by State Governments at floor rate of 6% or more on the sale price before VAT on two wheelers, cars / LMVs and Taxi / maxi, by 31.03.2014 and on taxi / maxi operating on inter-State route by 30.09.2014. Taxation of motor vehicle being State Subject, the States are required to notify the rationalization of motor vehicle taxes in their respective States in consonance with the decision taken by Transport Development Council.

(c) Yes, Madam.

(d) All State Governments and Union Territories Administration were requested on 12.12.2013 & subsequently on 06.06.2014 for issuing notifications for rationalization of Motor Vehicle Taxes in their respective States/UTs as per the decisions taken in the 35th TDC Meeting held on 23.10.2013.