Copy of: HOME (Tr-I) DEPARTMENT,
Secretariat, Chennai – 600 009.

Letter Ms.No.1171 Dated 07-12-2006

From
Tmt. S. Malathi, I.A.S.,
Secretary to Government.

To
The Transport Commissioner,
Chennai – 5.

Sir,

Sub: Motor Vehicles – Taxation – Collection of Lifetime tax in respect of the non-transport motor vehicles van car, jeep and van registered between 1-7-98 and 31.7.2003 at the rate levied in Tamil Nadu Act 27 of 1998 collecting arrears of lifetime tax on before 30.4.2007 – Instructions – Issued.

Ref: (1) From the Transport Commissioner, Chennai Letter No.D1/22730/2003 dated. 06.04.2005

(2) Government Letter No.36382/Tr-I/05-1, Home (Transport-I) dated. 27.4.2005
(3) From the Transport Commissioner, Chennai Letter No. D1/22678/2005 dated. 21.06.2005
(4) From the Transport Commissioner, Chennai D.O.Letter No.D1/22678/2005 dated. 16.02.2006
(5) From the Transport Commissioner, Chennai D.O.Letter No.55276/2003 dated. 27.2.2006
(6) From the Transport Commissioner Chennai Letter D1/22678/2005 dated. 30.3.2006
(7) Government Letter No.36382/Tr-I/2005-20 Home, dated. 21.8.2006
(8) From the Transport Commissioner, Chennai Letter No.D1/22678/2005 dated. 30.8.2006

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I am directed to invite your attention to the correspondence cited. Consequent on the validation of the provisions relative to the levy of lifetime tax contained in Tamil Nadu Motor Vehicles Taxation Amendment Act, 1998 (Tamil Nadu Act 27 of 1998) by the Supreme Court of India on 18.3.2005 in the

C.A.Nos 1869-1880 of 2000, the Government have examined the question of collection of lifetime tax from the owners of the non-transport vehicles viz. car, jeep, van which were registered in this State between 1.7.98 and 31.7.2003 under the provisions in Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 1998 (Tamil Nadu Act 27 of 1998) in detail.

2. The Government consider that at present there is no provision in the Tamil Nadu Motor Vehicles Taxation Act, 1974 (Tamil Nadu Act 13 of 2003) for the collection of life tax from the owners of non-transport vehicles in certain contingencies consequent on the modification of the system in the levy of lifetime tax for the non-transport four wheelers in Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 2003 (Tamil Nadu Act 13 of 2003) with effect from 1.8.2003, the rate of lifetime tax to be collected has not been specified either in the Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 1998 (Tamil Nadu Act 27 of 1998) or in the Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 2003 (Tamil Nadu Act 13 of 2003) in respect of the non-transport four wheelers under the following contingencies:-

i) Non-transports vehicles registered prior to 1.7.1998 and paid annual tax and now opt for payment of lifetime tax (now the option allowed to old vehicles stands dispensed by Tamil Nadu Act, 13 of 2003).

ii) Vehicles registered as transport vehicles prior to 1.7.98 and paid the tax intended to that vehicle and now converted into non-transport vehicles for personal use and paying annual tax and the vehicle owner now opt for payment of lifetime tax.

iii) Vehicles registered in other State prior to 1.7.98 and now to be registered in this State under Section 47 of Motor Vehicles Act, 1998 (i.e., on or after 1.8.2003) and opt for payment of lifetime tax.

iv) Non-transport vehicles registered in other States on or after 1.7.98 and upto 31.7.2003 and now to be registered in this State under section 47 of Motor Vehicles Act and opt for payment of lifetime tax.

v) Vehicles registered as transport vehicle on or after 1.7.98 and up to 31.7.2003 and paid the tax intended to that vehicle and converted into non-transport vehicles for personal use and paying annual tax and now opted for payment of lifetime tax.

vi) Vehicles registered as Institutional vehicles (company owned vehicles) between 01.07.1998 and 31.07.2003 under Tamil Nadu Act 27 of 1998 and subsequently i.e., after 01-08-2003 converted in to individual one and vice versa.

Therefore, it has been considered to specify appropriate rate of lifetime tax structure to cover these kind of old vehicles, by amending the Tamil Nadu Motor Vehicles Taxation Act suitably, thro' legislation. Therefore, the vehicles fall under the above categories may be allowed to continue to pay annual tax till then.

3. Further, it has also been decided to waive the penalty if any arising under provision of Tamil Nadu Motor Vehicles Act specifically and thereby, if the Accountant General insisted to collect penalty in this issue.

4. Accordingly, I am directed to request you collect the lifetime tax (without penalty) immediately for the non-transport four wheelers which were registered between 1.7.1998 and 31.7.2003 except those vehicles fall under the categories referred to in paragraph 2 above, at the rate specified in Part-I of Third Schedule of the Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 1998 (Tamil Nadu Act 27 of 1998) after deduction of the annual tax so far paid by such vehicle owners and complete the tax collection process from these

vehicle entirely before 30.4.2007. I am to state that the collection of annual tax may be continued in respect of the vehicles falling under the categories referred to in paragraph 2 above till an appropriate rate of lifetime tax is prescribed by the Government.

Yours faithfully,
Sd/- xxxxxxxxxxxxxxx
for Secretary to Government.

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