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## PART V

### Bills introduced in the Gujarat Legislative Assembly

(To be translated into Gujarati and the translation to be published in the *Gujarat Government Gazette*. The date of publication to be reported.)

The following Bill is published with the consent of the Speaker given under the proviso to rule 127A of the Gujarat Legislative Assembly Rules:-

### THE GUJARAT MOTOR VEHICLES TAX (AMENDMENT) BILL, 2017.

### GUJARAT BILL NO 21 OF 2017.

### A BILL

*further to amend the Gujarat Motor Vehicles Tax Act, 1958.*

It is hereby enacted in the Sixty-eighth Year of the Republic of India as follows:-

1. (1) This Act may be called the Gujarat Motor Vehicles Tax (Amendment) Act, 2017. Short title and commencement.

(2) It shall come in to force on the 1<sup>st</sup> April, 2017.

2. In the Gujarat Motor Vehicles Tax Act, 1958 (hereinafter referred to as "the principal Act"), in section 4,- Bom. LXV of 1958.

Amendment  
of section 4  
of Bom.  
LXV of 1958.

(1) in sub-section (1), for clause (i), the following clause shall be substituted, namely:-

| Serial No. | Description of Vehicles  | Manner of payment  |
|------------|--|--|
| “(i) (a)   | Vehicles used for hire or reward other than designated omnibus registered before the 1 <sup>st</sup> April, 2017.  | Annually or quarterly, at the rates fixed by the State Government under section 3, or <i>lump sum</i> tax specified in the Third Schedule. |
| (b)        | Private Service Vehicle registered before the 1 <sup>st</sup> April, 2017.   | Annually or quarterly, at the rates fixed by the State Government under section 3, or <i>lump sum</i> tax specified in the Third Schedule. |
| (c)        | Tractor used for other than agriculture purpose and Construction Equipment Vehicle having unladen weight of which exceeds 2000 KG but not more than 7500 KG. | Annually or quarterly, at the rates fixed by the State Government under section 3, or <i>lump sum</i> tax specified in the Third Schedule. |
| (d)        | Vehicles other than those mentioned above.   | Annual or quarterly.”;   |

(2) in sub-section(1AA), for the existing table, the following table shall be substituted, namely:-

| Serial No. | Description of Vehicles   | Manner of payment   |
|------------|---|---|
| “(a)       | The motor vehicles specified in Clause-III of the First Schedule and registered before the 1 <sup>st</sup> April, 2017. | Annually or in the case of half yearly, at the rate equal to the one-half of the annual rate plus 10% per cent. thereof or lump |

|     |   |  |
|-----|---|--|
|     |   | sum tax specified in the Third Schedule.                               |
| (b) | In case of designated omnibuses licensed to carry not more than the twelve passengers, registered before the 1 <sup>st</sup> April, 2017. | Annually or the <i>lump sum</i> tax specified in the Third Schedule.”. |

(3) in sub-section (1ABB), to clause (i), the following proviso shall be inserted, namely:-

“Provided that when the owner or a person in possession or control of a Motor Vehicle falling under the First Schedule brings his vehicle for the registration after fifteenth day of the month, he shall be liable to pay tax of an amount equal to one day tax of the one-twelfth of the annual rate of tax for each day of the remaining period of the month and the above clause shall be applicable from the succeeding month of that month in which the vehicle is brought in for the registration.”.

3. In the principal Act, in section 6, to sub-section (1), the following proviso shall be inserted, namely:-

“Provided that where the online payment system is available, the registered owner or person who is in possession or control of a motor vehicle used or kept for use in the State shall fill up self- declaration form which shall have the similar effect of declaration specified as above.”.

**Amendment  
of section 6  
of Bom.  
LXV of 1958.**

4. In the principal Act, in section 19, for the words, “six months and with fine”; the words “six months or with fine or with both” shall be substituted.

**Amendment  
of section 19  
of Bom.  
LXV of 1958.**

5. In the principal Act, in the First Schedule, -

**Amendment  
of First  
Schedule to  
Bom. LXV of  
1958.**

(1) in clause III, -

(i) in item (d), in column 2, after the figures and letters “7500 KG”, the words and figures “registered before the 1<sup>st</sup> April, 2017” shall be added at the end;

(ii) after item (e), in column 2, the following new item shall be inserted, namely:-

“(ee)vehicles, the gross vehicles weight of which exceeds 7500 kg. brought in for use or kept for use in the State for a temporary period.”;

- (2) in clause IV, in the heading, after the words “designated omnibuses”, the words and figures “registered before the 1st April, 2017 or brought for use or kept for use in the State for a temporary period” shall be added at the end;
- (3) in clause IV-A, in column 2, after the word “Vehicles”, the words and figures “registered before the 1st April, 2017 or vehicles brought for use or kept for use in the State for a temporary period” shall be added at the end.
- (4) in clause IV-AAA, -
- (a) in item (a), in column 2, in sub-item (i), for the word “including maxi cabs”, the words and figures “registered before the 1st April, 2017 or brought for use or kept for use in the State for a temporary period” shall be substituted;
- (b) in item (b), in column 2, for sub-item (i), the following sub-item shall be substituted, namely:-

|       |  |
|-------|--|
| “(i)  | Luxury or tourist designated omnibuses licensed to carry not more than twelve passengers.                        |
| (i-a) | Luxury or tourist designated omnibuses licensed to carry more than twelve but not more than twenty passengers.”; |

- (i) in clause VI, in item (f), in column 2, for sub-items (i) and (ii), the following sub-items shall be substituted, namely:-

“(i) tractors whether or not fitted with any equipments such as rigs, cranes, compressors or projectors exceeding 2000 KG in weight but not exceeding 7500 KG in weight, unladen registered before the 1st April, 2017 or brought for use or kept for use in the State for a temporary period.

(ii)(a) any motor vehicles exceeding 2000 KG in weight but not exceeding 7500 KG in weight, unladen which are not intended to carry any passengers, goods or other load and which are fitted with any equipment such as rigs, cranes, compressors or projectors and are used for any special services or purposes or any construction equipment vehicles or breakdown van used for towing disabled vehicles registered before the 1st April, 2017 or brought before in for use in the State for temporarily period;

(b) any motor vehicles exceeding 7500 KG in weight unladen which are not intended to carry any passengers, goods or other load and which are fitted with any equipment such as rigs, cranes, compressors or projectors, and are used for any special services or purposes or any construction equipment vehicles or breakdown van used for towing disabled vehicles.”.

6. In the principal Act, in the Second Schedule, in Part-I,-

(1) in column 2, for the figures, letters and words “1<sup>st</sup> April, 2007”, the figures, letters and words “1<sup>st</sup> April, 2017” shall be substituted.

(2) in Clause I, in column 2, after sub-clause (iv), the following sub-clause shall be inserted namely;-

“(v) Tractor used for other than agricultural purposes and whether or not fitted with any equipments such as rigs, cranes, compressor or projectors or any motor vehicles which are not intended to carry any passenger, goods or other load, and which are fitted with any equipments such as rigs, cranes, compressor, or projectors and uses for any special services or purposes or any construction equipment weight vehicles having unladen weight of which does not exceeds 7500 KG.”;

(3) in Clause II, in column 2, after sub-clause (iii), the following sub-clauses shall be added, namely:-

“(iv) Designated omnibus licensed to carry not more than twelve passenger.

(v) Motor Vehicles other than designated omnibuses.”;

(4) after Clause II, the following clause shall be inserted, namely:-

“II A. Private Service Vehicles.”;

(5) in Clause III, in column 2, the words, figures and letters “ the gross vehicle weight of which does not exceeds 7500 KG” shall be deleted;

Amendment of  
Second  
Schedule to  
Bom. LXV of  
1958.

- (6) after Explanation VII, the following Explanation shall be added, namely:-  
**“Explanation VIII.-** For the purpose of calculating the *lump sum* tax under this Schedule, in case of articulated vehicles and combination of tractor-trailer, the sale price shall be the sum total of sale price of tractor and sale price of trailer or, as the case may be, the semi-trailer.”.

**Amendment of  
Third Schedule  
to Bom. LXV of  
1958.**

7. In the principal Act, in the Third Schedule, in Part-I, -
- (1) in column 2, for the words, letters and figures “Motor Vehicles registered in the State of Gujarat on or after the 1<sup>st</sup> April, 2007, which are transport vehicles”, the words, letters and figures “Motor Vehicles registered before 1<sup>st</sup> April, 2017” shall be substituted;
- (2) for Clause I, the following Clause shall be substituted, namely:-  
**“I.** Designated omnibuses licensed to carry not more than twelve passengers.”;
- (3) after Clause I, the following Clauses shall be inserted, namely:-  
**“IA.** Motor Vehicles including tricycles plying for hire or reward and used for the carriage of passengers other than designated omnibuses.  
**IB.** Private Service Vehicles.”;
- (4) for Clause III, the following clause shall be substituted, namely:-  
**“III.** Motor Vehicles used for carriage of goods or material, the gross vehicle weight of which exceeds 7500 KG.”;
- (5) Clause IV shall be deleted;
- (6) after Clause IV as so deleted, the following Clause shall be added, namely:-  
**“V.** tractor whether or not fitted with any equipments such as rigs, cranes, compressors or projectors or any Motor Vehicles which are not intended to carry any passenger, goods or other load, and which are fitted with any equipment such as rigs, cranes, compressors or projectors, and are used for any special services or proposes or any construction equipment vehicles having unladen weight more than 2000 KG but not more than 7500 kg.”.

## STATEMENT OF OBJECTS AND REASONS

This Bill seeks to amend the Gujarat Motor Vehicles Tax Act, 1958 with a view to giving effect to the Budget proposal contained in the Budget Speech of the Finance Minister in the Gujarat legislative Assembly on 21<sup>st</sup> February, 2017. Along with simplification and rationalization, the Bill seeks to bring administrative efficiency also.

The motor vehicle tax is levied on the motor vehicles used and kept for use in the State as per the provisions of the said Act. On some vehicles tax is levied on recurring basis *i.e.* yearly/ six monthly/three monthly or monthly, whereas, on some vehicles the tax is levied on *lump sum* basis. On some vehicles, both options are available for payment of tax *i.e.* recurring as well as *lump sum* basis. The owners of the motor vehicles paying recurring tax have to visit transport office, one to four times in a year depending upon the type of the vehicle. Most of the motor vehicle owners visit transport office in the months of April and October and thereby face lots of difficulties in payment of tax and also lots of time is being wasted. In order to give relief to the citizens of the State in the process of payment of motor vehicle tax and to simplify the process, it is proposed to levy *lump sum* motor vehicle tax only for the new vehicles registered on or after the 1<sup>st</sup> April, 2017 in the categories of Goods vehicles having gross vehicle weight exceeding 7.5 tons, private service vehicles, buses of educational institutes, stage carriage buses, maxi cab, construction equipment vehicles and tractors used for other than agricultural purpose having unladen weight exceeding 2 ton but not exceeding 7.5 tons. In order that the tax burden do not increase at a time on old vehicles registered before 1<sup>st</sup> April, 2017, it is proposed to give option of *lump sum* tax while continuing the option of payment of tax in a recurring manner.

By the proposed simplification in the structure and the rates of motor vehicle tax, owners/ representatives of about 25,000 new vehicles being registered every year in the above categories will be required to visit the transport office only once. The option of *lump sum* tax will also be available to the owners of the old vehicles registered before 1<sup>st</sup> April, 2017. And owners of about three and half lakh old vehicles will be required to visit the transport office only once if they opt for

the *lump sum* option for payment of tax. By making the *lump sum* tax compulsory for the new vehicles, the tax revenue will be available upfront at the time of registration of new vehicles in place of recurring tax revenue every year. Certain other amendments in sections 4 and 19 have also been proposed for simplification.

This Bill seeks to amend the said Act to achieve the aforesaid objects.

Dated the 23<sup>rd</sup> March, 2017.

**VALLABHBHAI KAKADIA.**

By order and in the name of the Governor of Gujarat,

Gandhinagar,  
Dated the 23<sup>rd</sup> March, 2017.

**K. M. LALA,**  
Secretary to the Government of Gujarat,  
Legislative and Parliamentary Affairs Department.

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