



# Punjab Government Gazette

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PUNJAB VIDHAN SABHA SECRETARIAT

### NOTIFICATION

The 9th March, 2021

**No.22-PLA-2021/24.-** The Punjab Motor Vehicles Taxation (Amendment) Bill, 2021 is hereby published for general information under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly):-

### **BILL NO. 22-PLA-2021**

### **THE PUNJAB MOTOR VEHICLES TAXATION (AMENDMENT) BILL, 2021**

A

BILL

further to amend the Punjab Motor Vehicles Taxation Act, 1924.

BE it enacted by the Legislature of the State of Punjab in the Seventy-Second Year of the Republic of India as follows: -

Short title and  
commencement.

1. (1) This Act may be called the Punjab Motor Vehicles Taxation (Amendment) Act, 2021.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Punjab Motor Vehicles Taxation Act, 1924 (hereinafter referred to as the principal Act), for section 3, the following section shall be substituted, namely:-

Substitution of section 3 of Punjab Act 4 of 1924.

" 3. (1) (a) Subject to the provisions of this Act, a tax shall be levied and collected on all motor vehicles used or kept for use in the State of Punjab, at such rates, in such a manner as may be specified by the Government, by notification, from time to time:

Provided that where an owner of a motor car or a motor cycle in respect of which, a tax has been paid in lump sum, ceases to be the resident of the State of Punjab and takes along with him, such motor car or motor cycle, or if the ownership of the motor car or motor cycle is transferred to a person having residence outside the State of Punjab, then, refund of the lump sum tax so paid, shall be allowed at such rates, as may be determined by the Government, from time to time.

(b) In case a transport vehicle is registered in a State other than the State of Punjab, such a vehicle shall become liable for paying tax, the moment it enters within the State of Punjab at such rates, as may be determined by the Government, from time to time.

(2) At the time of issuance of new stage carriage permit of buses, one time tax per kilometer shall be leviable at such rates, as may be specified by the Government, by notification, from time to time:

Provided that if a big bus holder is allowed to ply on extended route with the increased mileage, then, in that case, the amount of one time tax per kilometer referred above shall be leviable additionally for the extended route.

(3) The notifications issued under sub-sections (1) and (2) shall specify the type of motor vehicles, the periods and the manner, in which, the tax shall be levied:

Provided that the rates of tax shall not exceed the maximum limit as has been specified in the Schedule.

(4) The owner or driver of the transport vehicle shall be liable to pay tax under clause (b) of sub-section (1) at the Tax Collection Centre established under the control of an officer of the Department of Transport or any agency, firm or company, which is entrusted to collect tax on behalf of the Government through auction, subject to such terms and conditions as may be specified in the Agreement to be executed between the Government and such agency, firm or company, as the case may be."

Substitution of  
Schedule of  
Punjab Act 4 of  
1924.

3. In the principal Act, for the existing Schedule, the following Schedule shall be substituted, namely:-

**"SCHEDULE  
(See section 3)**

<b>Serial Number</b>	<b>Category of Motor Vehicles</b>	<b>Maximum rate of tax</b>
1.	Non-Transport Vehicles	
	New Registration	
(i)	Motor Cycle, Motor Car and Adapted Carriage	Twenty per cent of the value of the motor cycle, motor car or Adapted Carriage (in lump sum)
(ii)	Excavator, Loader, Backhoe, Compactor Roller, Road Roller, Dumper, Motor Grader, Mobile Crane, Dozer, Fork Lift Truck, Self-Loading Concrete Mixer or any other construction equipment vehicle, Camper Van or Trailer for private use, Vehicles or Trailers fitted with equipments like rig, generator, compressor etc., Crane Mounted Vehicle, Tow Truck, Brake-down Van, Recovery Vehicles, Tower Wagon and Tree Trimming Vehicles or any other non-transport vehicles not covered under any category-	
(a)	purchased as Chassis	Fifty per cent of the cost of chassis, subject to the maximum of rupees ten lakh (in lump sum)
(b)	purchased with complete body	Forty per cent of the cost of complete body, subject to the

	maximum of rupees ten lakh (in lump sum)
Re-registration or Re-assignment	
(i) In case of re-registration or re-assignment of motor cycle or motor car-	Rate of tax in lump sum
(a) less than three years	Ninty-five per cent of the tax of new motor cycle or motor car.
(b) three years or more but less than six years	Seventy-five per cent of the tax of new motor cycle or motor car.
(c) six years or more but less than nine years	Fifty-five per cent of the tax of new motor cycle or motor car
(d) nine years or more	Thirty-five per cent of the tax of new motor cycle or motor car.
(ii) Vehicles disposed of by various Government Departments or Government Agencies on which lump sum tax have not been paid earlier	The Motor Vehicle Tax shall be arrived at by reducing the amount of tax at the rate of five per cent per financial year or part thereof upto ten years from the date of registration, but amount of lump sum tax shall not exceed rupees seventy-five thousand after the period of ten years.

2. (i) Transport Vehicles

Contract Carriage including Tourists or All India Tourists Permit Vehicles (Motor Cab or Maxi Cab or Tourist Buses etc.)

(a) Auto Rickshaws (Three Wheeler) having capacity upto 6+1 seats	Rupees ten thousand per seat per annum or twenty per cent of the value of Auto rickshaw or both.
(b) Motor Vehicles having capacity upto 6+1 seats	Rupees ten thousand per seat per annum or twenty per cent of the value of vehicle or both.

(c)	Motor vehicles having capacity more than 6+1 seats and upto 12+1 seats	Rupees fifteen thousand per seat per annum or twenty per cent of the value of vehicle or both.
(d)	Motor Vehicles having capacity more than 12+1 seats	Rupees twenty thousand per seat per annum or twenty per cent of the value of vehicle or both.
(ii)	Private Service Vehicles	
(a)	Vehicles used for trade and business	Rupees four lakh fifty thousand per annum or twenty per cent of the value of vehicle or both.
(b)	Vehicles used by Educational Institutions-	
	I. for school vehicles	Rupees three lakh per annum or twenty per cent of the value of vehicle or both.
	II. for college vehicles and other institutional vehicles	Rupees four lakh per annum or twenty per cent of the value of vehicle or both.
(iii)	Stage Carriage	Maximum rate of tax per kilometer, each Vehicle, for a day
(1)	Big Buses-	
(a)	Ordinary Buses	Rupees twenty or twenty per cent of the value of the vehicles at the time of new registration or both.
(b)	Ordinary HVAC Buses (3x2 seats)	Rupees twenty or twenty per cent of the value of the vehicles at time of new registration or both.
(c)	Integral Coach (2x2 seats) Buses	Rupees twenty or twenty per cent of the value of the vehicles at time of new registration or both.
(d)	Super Integral Coach Buses	Rupees twenty or twenty per cent of the value of the vehicles at time of new registration or both.

(2)	Buses having capacity upto thirty-five seats	Rupees one lakh fifty thousand per annum or twenty per cent of the value of vehicles at time of new registration or both.
(iv)	Goods Carriage Vehicles	Rupees one lakh fifty thousand per annum or twenty per cent value of the vehicle at time of new registration or both in all categories of goods carriage vehicles.
(v)	Tractor with trolley used for commercial purpose within the radius of twenty-five kilometer from the place of permit holder's residence	Rupees twenty thousand per annum or twenty per cent of the value of the vehicle at time of new registration or both.
(vi)	Omni Bus registered in the State of Punjab	Rupees ten thousand per seat per annum or twenty per cent of the value of the vehicle at the time of new registration or both.
(vii)	Other Transport Vehicles like Dumper, Loader, Camper Van or Trolleys, Tippers, Cash van, Mobile Canteen, Haul Pack, Mobile Workshops, Ambulance, Animal Ambulance, Fire Tenders, Snored Ladders, Auxiliary Trolleys and Fire Fighting Vehicles, Hearses, Mail Carrier, Mobile Clinic or X-ray vans or Library Vans-	
(a)	purchased as Chassis	Fifty per cent of the cost of chassis, subject to the maximum of rupees ten lakh (in lump sum) or both.
(b)	purchased with complete body	Forty per cent of the cost of complete body, subject to the

		maximum of rupees ten lakh (in lump sum) or both
3.	Green or Environment or Any other tax	
	(i) Non-Transport Vehicles	Rupees fifty thousand at the time of renewal of Registration Certificate
	(ii) Transport Vehicles	Rupees fifty thousand after eight years per annum
4.	(i) Electric Vehicle (Passenger)	
	(a) E-rickshaw having capacity upto 6+1 seats	Rupees ten thousand per seat per annum or twenty per cent of the value of E-rickshaw or both
	(b) Motor vehicle having capacity upto 6+1 seats	Rupees twenty thousand per seat per annum or twenty per cent of the value of vehicle or both.
	(c) Motor vehicle having capacity more than 6+1 seats and upto 12+1 seats	Rupees forty thousand per seat per annum or twenty per cent of the value of vehicle or both.
	(d) Motor vehicle having capacity more than 12+1 seats	Rupees fifty thousand per seat per annum or twenty per cent of the value of vehicle or both.
	(ii) E-Cart	Rupees one lakh fifty thousand per annum or twenty per cent of the value of vehicle or both.
	(iii) Electric Vehicle (Goods)	Rupees one lakh fifty thousand per annum or twenty per cent of the value of vehicle or both.
5.	Tax on Vehicles under the possession of Manufacturer or Dealer-	
	(a) Two Wheeler or Vehicle	Rupees ten thousand per annum for every one hundred vehicles or part thereof.

(b)	Three or Four Wheeler or Vehicle	Rupees twenty thousand per annum for every fifty vehicles or part thereof.
6.	Vehicles plied on contract carriage permits or on All India Tourist Permits or on any other similar permits registered in any State other than the State of Punjab, when entering in Punjab-	Maximum rate of Tax per day (twenty-four hours)
	(i) Motor Cabs	Rupees three thousand
	(ii) Maxi Cabs	Rupees six thousand
	(iii) Omni Buses	Rupees six thousand
	(iv) Ordinary Buses	Rupees twenty thousand
	(v) Deluxe Buses	Rupees thirty thousand
	(vi) Air-conditioned Buses	Rupees forty thousand
7.	Vehicles of other States, when entering and plying in Punjab-	
	(i) Stage Carriage	Rupees twenty per kilometer per day or twenty per cent of the value of vehicle or both.
	(ii) Private Service Vehicles (Trade and Business Vehicles)	Rupees four lakh fifty thousand per annum or twenty per cent of the value of vehicle or both.
	(iii) Educational Institution Vehicles	Rupees four lakh per annum or twenty per cent of the value of vehicle or both.
	(iv) Goods Carriage other than those holding national permit of other States.	Rupees one lakh fifty thousand per annum or twenty per cent of the value of vehicle or both.
	(v) Special purpose vehicles (Transport)	Rupees ten thousand per day or twenty per cent of the value of vehicle or both.
8.	Tax on temporarily registered vehicles or chassis passing through the Punjab-	Rate of Tax per vehicle
	(i) Motor Car, Tractor, Omni Bus having capacity upto ten seats, but excluding the	Rupees two thousand



	driver of three wheeled vehicles.	
	(ii) Any other motor vehicles, not covered under item (i) above.	Rupees fifteen thousand
	(iii) Chassis of Motor Vehicles.	Rupees ten thousand
9.	At the time of issuance of new stage carriage permit-	Maximum rate of one time tax per Kilometer
	(i) Big Buses	Rupees two thousand five hundred
	(ii) Buses having capacity upto thirty-five seats	Rupees two hundred fifty
	(iii) In case of increase in mileage (Big Buses).	Rupees two thousand five hundred.
10.	In the case of transfer of ownership of the following kinds of motor vehicles which are already registered in Punjab-	Rupees seventy-five thousand per vehicle
	(i) All types of Motor Vehicles	Rupees seventy-five thousand per vehicle
	(ii) All types of tractors using public roads other than agricultural tractors	No additional tax shall be levied in case of transfer of ownership owing to death or transfer to insurance company for settlement of claim.
11.	Transport vehicle plied without a valid permit or in an unauthorized manner.	Rupees two lakh for every act of violation.
12.	Any other vehicle not covered above-	Rupees four lakh fifty thousand per annum or twenty per cent of the value of the Vehicle.
	(i) Transport Vehicle	
	(ii) Personalized Vehicle	Rupees fifteen lakh on one time basis."

**STATEMENT OF OBJECTS AND REASONS**

In the previous Punjab Motor Vehicles Taxation Act, 1924, there are different provisions to impose the taxes on Transport/Non Transport Vehicles such as Stage Carriage Buses/Omni Buses/Vehicles to be registered which are coming from other States etc. To simplify the above mentioned process, these are covered in a single provision.

The motor vehicle population is increasing day by day and pollution is also increasing accordingly. Therefore, to reduce pollution as per the instructions issued by the Ministry of Road Transport & Highways, Govt of India to motivate the people not to use the old vehicles, the green tax to be imposed on the old vehicles. Apart from this, the Government of India is also motivating the public to use the Electric Vehicles instead the Petrol/Diesel Vehicles to avoid the pollution. For these purposes, provisions of green tax/Electric Vehicles Tax is being made in the amended Schedule of Motor Vehicles Taxation Act, 1924. It is also proposed to obtain one time tax on all transport vehicles at the time of new registration of the Vehicles.

**OBJECTIVES**

1. To discourage the owner of vehicles to use the oldest vehicles by the imposing the Green Tax.
2. To encourage the public to use the Electric Vehicles to avoid the pollutions and to reduce the consumption of Petrol/Diesel.
3. To impose the one time tax on the transport vehicles at the time of new registration of the Vehicles to generate the revenue..

**RAZIA SULTANA,**  
Transport Minister, Punjab.

**FINANCIAL MEMORANDUM**

1. The Bill proposes to amend the Punjab Motor Vehicles Taxation Act, 1924 and the Schedule thereunder to simplify the existing Tax Structure.
2. The Schedule also has been added with provisions of imposing Green Tax on Old Vehicles/ Electric Vehicles Tax.
3. The Financial Implication will be created after the notification to levy any Motor Vehicle Tax accordingly to above schedule which will benefited the State Exchequer.

**MEMORANDUM REGARDING DELEGATED LEGISLATION**

The Bill proposes to amend the Punjab Motor Vehicles Taxation Act, 1924 and the Schedule thereunder to simplify the existing Tax Structure. The Schedule has been added with provisions of imposing Green Tax on Old Vehicles/ Electric Vehicles Tax in future. The Punjab Motor Vehicles Taxation Act, 1924 bill empowers the Government to impose tax on any type of Motor Vehicles, the period and the manner by issuing notification from time to time. The powers sought are necessary for the implementation of the provisions of the Act.

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The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

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**CHANDIGARH**  
**THE 9<sup>th</sup> MARCH, 2021**

**SHASHI LAKHANPAL MISHRA,**  
**SECRETARY.**