

Circular No.5/99

Sub:- TAXATION - Levy of tax for unregistered and Temporarily registered Non-transport vehicles - clarification issued -

Ref:- Rule 5 and 8 of KMVT Rules, 1975.

In an instance where a Regional Transport Officer has levied 'additional tax' in respect of a newly purchased non-transport vehicle for which Certificate of Registration was issued beyond 14 days. The plea of the registered owner is that he is not liable to pay 'additional tax' since the Certificate of Registration has been received by him belatedly, though the vehicle was produced for registration on the date of purchase. In this context, the matter was examined in detail and the following clarification is issued.

2. As per the item 3 (1) specified under "category of vehicles" in rule 5 of the KMVT Rules, 1975, a grace period of 14 days, with effect from the date of purchase, is allowed to remit tax, in respect of a newly purchased non-transport vehicle or brought from outside the state for permanent use in this state. In any case, where the registered owner remits tax after the period prescribed above shall be liable to pay 'additional tax'. Therefore, the levy of 'additional tax' for the cases exceeding 14 days is in consonance with the Taxation Rules. But, due to the official delay in the delivery of Certificate of Registration, the owners of the vehicle should not suffer. First of all such delays should be avoided positively. In this connection, the attention of all the officers is invited to Circular No.18/98 dated, 19.6.1998 wherein, the due date of assignment of fresh registration number and delivery of the Certificate of Registration is fixed as 5th day of the acceptance of application. This instruction must be followed scrupulously:


3. But in certain cases, the assignment of registration mark/number and issuance of Certificate of registration within the stipulated period, will become difficult due to various reasons. In such cases, where there are reasons to believe that the Certificates of Registration would only be issued after the grace period of 14 days, either an opportunity or an option may be given to the owners of the non-transport vehicles to remit the tax at the rate applicable to that class of vehicle within the stipulated period. In such cases a requisition to remit tax, shall be obtained from the owner of the vehicle. The Regional Transport Officer or Joint Regional Transport Officer may issue a "Certificate" in Form F as specified in rule 8 of the KMVT Rules, 1975.

Levy of Tax in respect of the temporarily
registered vehicles

4. Section 3 of the KMT Act, 1976, envisages that "a tax shall be levied on every motor vehicle used or kept for use in the state, at the rate specified for such vehicles in the Schedule". But at the same time, as per rule 5 of the KMT Rules, 1975, a grace period of 14 days, from the date of purchase is allowed to the non-transport vehicles, to remit the tax. Section 43 of the Motor Vehicles Act, 1988 provides for the issue of a temporary certificate of registration to the newly purchased vehicle. Validity of such certificate is for a period not exceeding one month. But most of the owners of temporarily registered vehicles are under the impression that tax is to be paid only after obtaining the permanent registration mark/number and Certificate of Registration. This is incorrect and is against the spirit of section 3 of the KMT Act and Rule 5 of the KMT Rules. Therefore, it is clarified that the owners of the temporarily registered non-transport vehicles are eligible to pay tax, at the rate specified in the schedule for that class of vehicle, within 14 days from the date of purchase. In such cases, the Regional Transport Officers or Joint Regional Transport Officers may accept the tax and issue a 'Certificate' (Form F) as contemplated in rule 8 of the KMT Rules, 1975.

5. The above clarification is to avoid hardship to the public as well as to make them aware of the Taxation laws. These instructions shall be strictly followed as and when such occasion arises in future.

6. The receipt of the Circular should be acknowledged by return.


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Addl. transport Commissioner,
Transport Commissioner in-charge.

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