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No. B2/7989/TC/83

Head Office
Motor Vehicles Department
Thiruvananthapuram
Dated 15.9.98

From

K.J. Joseph I.P.S.
Additional Director General of Police
Transport Commissioner

To

All Regional Transport Officers
All Joint Regional Transport Officers

Sir,

Sub : M.V. Dept. Taxation - unauthorised operation
of Stage carriages as contract carriage-
compounding of offences under section 86
of the M.V. Act and collection of difference
of tax under KMVT Act - clarification issued.

Ref : Judgement dated 3.10.97 of the Hon. High
Court of Kerala in O.P.No.488/95.

It is noticed that vehicle unauthorised operation
of stage carriages as contract carriages is detected,
many of the officers ~~are~~ are compounding the offence
after issuing charge memo under section 86 (5) of the
M.V. Act and again fresh charge memo is being issued for
the very same offence for collecting difference of
tax due. This procedure is not correct.

The demand of tax in such cases is to be dealt
with under the KMVT Act. The rate of tax prescribed
in the schedule to section 3 of the KMVT Act for
contract carriages and stage carriages are different.
An operator who intends to operate a stage carriage
as a contract carriage has to pay the tax in advance as
contemplated in proviso 6 of the schedule to section
3 of the KMVT Act, after obtaining a permit under section
88(8) of the M.V. Act. When unauthorised operation is
detected notice demanding difference of tax under
section 7 of the KMVT Act, shall be issued along with
the charge memo under section 86(5) of the M.V. Act
for recovery of tax and compounding the offence.

Yours faithfully,

Sd/-

Transport Commissioner

Copy to : All DTCs Secretary STA, Sr.DTC (Tax, Asst.Scry.
STA, LO, FO, AO, Sr.Suptdt., Jr.Suptdt.,
HA and SAO.

Approved for issue

Senior Superintendent

sk/