

2099
No. 1-3955/TC/97.

Office of the Transport Commissioner,
Thiruvananthapuram, Dated, 26.3.'97.

From

The Transport Commissioner,
Thiruvananthapuram.

To

The Secretary, STA, Kerala,
All Deputy Transport Commissioners,
All Regional Transport Officers,
All Joint Regional Transport Officers
of Sub RT Offices &
All Motor Vehicles Inspectors of
all Check Posts.

Sir/Madam,

Sub: BUDGET SPEECH 1997-98 - Amendments proposed to
KMVT Act and Rules - Implementation - Reg.

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Ref: 1) This Office letter of even No. dated 22-3-97
2) Kerala Finance Bill 1997 (Bill No. 74...
of 1997)

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Copy of the Finance Bill 1997 which contains certain proposal for amendment KMVT Act 1976 is sent herewith. The Finance Bill has been presented in the Kerala Legislative Assembly on 25-3-1997. For the uniform implementation of the proposals contained therein the following instructions are issued:

(1) Levy of tax based on Cubic Capacity

As you know that tax in respect of Motor Cycles (Two wheelers) and three wheelers (Non-Transport) is being levied based on the Unladen Weight of such vehicles. This system has been changed and provision made in the KMVT Act to assess tax based on Cubic Capacity (CC) recorded in the Certificate of Registration of such vehicles. In respect of earlier model vehicles, especially vehicles registered prior to 1.7.1989, where Cubic Capacity is not recorded, the rate of tax may be assessed based on the CC noted in the records of similar type of vehicles registered on 1-7-1989 or thereafter. Please note the definition in Section 2 for the term "Cubic Capacity" in this regard.

(Contd..2

(2) One time tax for Two wheelers & Three wheelers

Payment of "One time tax" has been made mandatory in respect of two wheelers and three wheelers (Non-Transport Vehicles) i.e. vehicles mentioned in item 1 and 2 of the new schedule appended to the Taxation Act 2 of the new schedule appended to the Taxation Act at the rate specified in the annexure. For a brand new vehicle tax for a period of 15 years shall be levied in lump. No rebate shall be allowed for such lump payments. In respect of vehicles already registered prior to 1-4-1997 tax shall be levied for the period upto which the Certificates of Registration of such vehicles are valid at the rates noted in the annexure. One time tax of such vehicles need be collected only with effect from the date expiry of the current tax licence. Arrears tax or surcharge, if any, due shall be collected at the rates prevailed prior to 1-4-1997 with additional tax whenever the Certificate of Registration is renewed on the expiry of current Registration Certificate tax shall be levied in lump for the period upto which the R.C. has been renewed. Those who remitted tax for 5 years, 10 years or 15 years in lump need pay one time tax on the expiry of the current tax. Balance tax or surcharge, if any, due shall be collected with additional tax. It may be noted that periodical increase in the rate of tax is not applicable to those who remitted "One time tax" or who had remitted tax for Five/Ten/Fifteen years period for the period upto which tax has been paid.

(3) Merging of Surcharge and addl. Surcharge with tax

Surcharge and addl. surcharge under Clause (a), (c), (d) and (e) of Section 25 of the MVT Act have been merged with basic tax and new rates prescribed after rounding off the amounts. The new rates effective from 1-4-1997 are specified in the schedule appended. Balance tax due to the rounding off need be collected along with the tax for the next quarter/period.

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(4) Yearly payment of tax made mandatory

Due to the amendments proposed to Section 4 of the Taxation Act, yearly payment made mandatory in respect of vehicles whose annual tax does not exceed Rs.1500/- So all types of vehicles whose quarterly rate of tax is Rs.375/- or less have to pay tax annually. In respect of Motor Cars specified in item 11 of the new schedule, payment of bi-yearly tax is mandatory as existed now.

(5) Vehicles owned by Driving Schools

Rate of tax has been specified in respect of LMV (except Motor Cars) Medium and Heavy Vehicles owned by Driving Schools and exclusively used for imparting training in driving. Tax shall be levied at the rates specified in the Schedule in respect of the above vehicles.

The rates of tax in respect of Educational Institution Buses, Ambulance and tractors (other than those enjoying free tax concession), Road Rollers, Excavators have also been specified in the schedule which may be noted. The rate of tax in respect of "Omni Bus for Private use" with ten or less seats has been reduced which may also be noted.

(6) Short term tax for Tourist Vehicles

Tourist Vehicles (Motor Cabs & Omni buses) of other States covered by permits issued under section 88(9) of the M.V. Act which are entering this State for ~~short~~ short visits need pay tax for 7 days/30 days only as specified in the Finance Bill.

(7) Maintenance of Subsidiary Cash Book

Tax licences in Form D1 may be issued for the payments made for "One time" also. Cubic capacity shall be noted against ULW. The Regn. mark, Class of vehicle, Cubic capacity/ULW period and amount collected etc. should be noted clearly in the tax licence and Sub. Cash book. The Taxation Officers are directed to give wide publicity regarding the changes made in the Taxation Act. Copies of the Schedule & Annexure should be displayed in the Notice Board.

Yours faithfully,

Addl. Transport Commissioner.

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(7) Maintenance of Subsidiary Cash Book

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Yours faithfully,

Addl. Transport Commissioner.