

Variation in tax rates on motor vehicles

3255.SHRIMATI RENUKA CHOWDHURY: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether there is wide variations of taxes on motor vehicles from State to State in terms of basic taxation structure as well as quantum of tax;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the steps taken by Government to rationalize motor vehicle taxes across the country?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI RADHAKRISHNAN P.): (a) and (b) Yes, Sir. The tax rate across the States on motor vehicles varies from 2% to 18% of the sale price of the vehicle. Taxation of motor vehicle is a State subject and it is governed by the respective State laws/rules.

(c) The issue regarding rationalization of motor vehicle taxes was discussed in the 34th meeting of Transport Development Council (TDC) held on 13.02.2012 and again in the 35th meeting held on 23.10.2013 under the Chairmanship of Union Minister for Road Transport and Highways. The TDC decided to rationalize the motor vehicle taxes by State Governments at floor rate of 6% or more on the sale price before VAT on two-wheelers, cars/LMVs and Taxi/maxi, by 31.03.2014 and on taxi/maxi operating on inter-State route by 30.09.2014. Taxation of motor vehicle being State Subject, the States are required to notify the rationalization of motor vehicle taxes in their respective States in consonance with the decision taken by Transport Development Council. All State Governments and Union Territories Administration were requested on 12.12.2013, 06.06.2014 and subsequently in 36th Transport Development Council (TDC) meeting held on 28.10.2014 at Delhi for issuing notifications for rationalization of Motor Vehicle Taxes in their respective States/UTs as per the decisions taken in the 35th TDC Meeting held on 23.10.2013.

Use of road pathology

3256.SHRIMATI RENUKA CHOWDHURY: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether Government proposes to use road pathology practice in the country to find reasons behind road accidents;