

CHAPTER 3

3.1. The Detail Structure Of Tax Schedules

3.1-A

NOTES

Object :-

Under the provision of this section tax shall be levied and collected on all Motor Vehicles used or kept for use in the State one and from 1st April, 1958. The power has been given to the State Government to tax on Private Service Vehicles at the rate prescribed in Sub Clause IV of Clause A of the First Schedule, and for individual at the rate prescribed in Sub Clause VII of Clause A of the First Schedule.

a) Imposition of Road Tax on Vehicles:-

Vehicles not using Public Road leavy would be declared as companisatory in character and thereof, beyond Legislative compitence of State Legistative.

b) VALIDILY :-

Imposition of levy of Tax Rates on Vehicles irrespective of their type provision of section 3 (1) (b) not discrimi-native.

c) LEVY OF ONE TIME TAX :-

On Motor Cycle and Tricycle under Act, is regulatory as well as compinsatory and not discriminatory.

3.1-B. WAYS OF TAX PAYING :-

The tax may be paid through following 4 ways :-

1> Hard Cash :-

'AT' form may be filled and Motor Vehicles Insurance of Tax with respective documents and hard cash paid in Office of the tax authority. In department of tax after paying the tax the receipt of tax paid can be produced.

2> By Money Order :-

In case paying tax by M.O. the columns related to M.O. acceptance will be filluped. The Motor Vehicles no., the duration for which the tax to be paid to be noted by the tax payer. The "AT" form and tax documents to be send by the post to tax office. The tax office will keep note of tax paid by M.O.

3> By Cheque or Demand Draft:-

The tax payer can pay tax by Cheque or Demand Draft. The Motor Vehicles number should be noted (written) on the back side of the Cheque or Demand Draft. Here the duration for which the tax is paid may be written and the Cheque or D.D. can be send by register post.

4> By Chalan or Voucher :-

In treasuries of Government, the tax is paid by Chalan. The tax payer has to note his name and the type of vehicle

and duration of for which the tax is to be paid.

An acknowledgement may be given to the tax payer. The received acknowledgement and "AT" form and other tax related documents should be sent to tax authority for further processing. While paying tax in Government treasuries, the payeer in Motor Vehicles Revenue department to keep a note regarding this, the section 041 is prime heading is noted on the Chalan.

As the note given in section 3 of Bombay Motor Vehicles Tax Act, 1958 accordingly (each and every Motor Vehicles tax schedules is fixed) the tax is paid, it is called as arrival rate of tax is paid.

The rate of tax are calculated according to durations :

- i> Quarterly
- ii> Monthly
- iii> Half Yearly (6 months)
- iv> For Two Months

The actual rates for above schedules is classified in detail as below :

1) Quarterly (for three months) :-

In this case the Vehicles annual tax rate is divided by 4 and the resulted value will be added with 10% of of the resultant, the total comes will be the tax amount for the quarterly duration.

eg: A vehicles has 120 Rs. Annual tax

$120/4 = 30$, 10% of 30 is 3 Rs.

So $30 + 3 = 33$ is the quarterly rate.

2) Half yearly :-

In this case 3 months rate is multiplied by 2.

3) For 9 months :-

3 months rate is multiplied by 3.

If tax is paid for less than 3 months then following schedules will be followed.

4) One months rate :-

The Motor Vehicles annual rate is divided by 12, the resulted values 20% is added in resultant value , this will be the monthly rate.

eg. annual Rate 120 Rs.

20% of 10 is 2 Rs.

$10 + 2 = 12$ Rs.

so 12 Rs. is monthly rate.

5) Two months rate :-

Annual tax rate is divided by 12 resultant is multiplied by 2 then after this result 15% is added to resultant and it will give 2 months rate.

eg: Annual Rate 120

Divide by 12 = $120/12 = 10$

$10 * 2 = 20$

15 % of 12 = 3 Rs.

$20 + 3 = 23$ Rs. is two month rate.

More than two months duration but less than 3 months duration the tax rate is according to 3 months schedule the resultant, which is comes in paise(NPS) below, so NP and above 50 NP is is treated as 1 Rs. (one rupees)

3.1-C. VARIOUS AMENDMENTS OF TAX ACT, 1958.

THE BOMBAY MOTOR VEHICLES TAX ACT 1958

(BOMBAY ACT NO LXV OF 1958)

[Received the assent of the President on the 23rd day of August, 1956, assent first published in the Bombay Government Gazette, part IV, on the 29th the day of August, 1958) Amended by Bom.63 of 1959. Adapted and modified by the Maharashtra adaption of Laws (State and Document subjects) order, 1960.

	+-----	51 OF 1965
		43 OF 1969
		37 OF 1972.
		14 OF 1974. (01/04/1974)
		17 OF 1975 (10/06/1975)
AMENDED BY		22 OF 1977.
MAHARASHTRA ---		28 OF 1978.
		6 OF 1979
		20 OF 1985
		13 OF 1987
		14 OF 1987
		9 OF 1988
		9 OF 1988
	+-----	25 OF 1990

**FOR STATEMENT OF OBJECTS AND REASONS, SEE BOMBAY GOVERNMENT
GAZETTE, 1958, PART V, EXTRA.**

An act to consolidate and amend the law relating to the taxation of Motor Vehicles in the state of Bombay and to provide for certain other matters.

Whereas it is to consolidate and amend the law relating to the taxation of Motor Vehicles in the State of Bombay and to provide for certain other matters, it is hereby enacted in the ninth year of the Republic of India as follows.

PROBLEMS

The Bombay Motor Vehicles Tax Act, 1935 was in force in the reorganisation State of Bombay Corresponding laws were also in force in Vidarbha, Hyderabad, Saurashtra and Kutch areas of the State. It is decided that there should be uniform law to levy and collect tax on Motor Vehicles in all the component parts of the State. Which should be collected at the rates specified in the first schedule of the Act. This act was designed to secure uniformity with regards to various allied matters, such as refund of tax, abolition of tolls constitution of state of roads funds etc.

3.1-D. STATEMENT OF OBJECTS AND REASONS

CERTAIN ADMINISTRATIVE DIFFICULTIES WERE BEING EXPERIENCED IN THE ENFORCEMENT OF THE PROVISIONS OF THE BOMBAY MOTOR VEHICLES TAX ACT, 1958.

Moreover the act also did not provide for a deterrent provisions which would ensure prompt payment of taxes and prompt information of such payment to the authorities (MGG, PT IV, Kate 11/9/1969)

(Man. XLIII of 69]

OBJECTS AND REASONS [Mah. XXXVII of 1972]

The existing provisions of the Bombay. Motor Vehicles Tax and follow up action to recover tax dues. It had therefore, become necessary to streamline the procedure to ensure better enforcement of the provisions of the Act.

OBJECTS AND RESASONS [Mah. XIV of 1974]

In order to mobilise additional resources for fixing the Fifth Five year plan. It was proposal Inter alia to certain motor vehicles and make service.

It was further proposed to levy toll on motor vehicles passing through certain tunnels with a view to recovering the cost of their construction and of the collection of the toll .

Under the section 13 (1) of the Bombay Motor Vehicles Tax Act, 1958 all Motor Vehicles, designed and used solely for agricultural

operations on farms or farm lands, are exempted from the payment of the tax under explanation 1 of section 13. It was laid down inter alia that expression "agricultural operations" included use of the Vehicles from the place of residence of 1st owner or from the garage or place of repairs to his farm or from the farm to any of the places aforesaid. Doubts had been raised in the case of Vehicles purchased whether their use from the place of purchase to the registering office, if they are not already registered and their use upto Office. If they are not already registered and their use upto the stage they are taken to the farm for actual uses covered by the exemption or not the intention all along had been that such initial use should be exempted from the payment of the tax MGG Pt IV, date 27/4/1975 mah. XXXII of 1977 p 106.

OBJECTS AND REASONS [Mah. XXXVIII of 1978]

Section 3 (1) of the Bombay Motor Vehicle Tax Act 1958 provide the tax should be levied and collected on all Motor Vehicles used or kept for use in the State at the rates fixed by the State Government by notification in the Official gazette, But not exceeding the maximum rates specified in the first schedule. The first schedule was divided into two parts.

Part I states the maximum annual rates of the tax for vehicles using motor spirit or petrol, and part II states the maximum annual rates of the tax for the vehicles using fuel other than motor spirit e.g.

Diesel. For the proposed 9 of both parts the maximum limits were the same, but the only difference was the part I lays down that, despite this maximum limit the vehicles using fuel other than the motor spirit should also be liable to pay "Surcharge of 50" per centum which should in no case exceeds Rs. 800. The actual rates of the tax for both kinds of vehicles were fixed by notification under section(3) and the first schedule merely indicated the maximum limits of tax and the addition liability of vehicles using fuel other than motor spirit to pay a surcharge. While amending at subsequently the intention along had been that the vehicles using fuel other than motor spirit should bear the burden of all kinds of taxes levied on vehicles using motor spirit and on vehicles using fuel other than motor spirit plus a surcharge of 50 percent not exceeding Rs.800 in any case.

So to clarify the position and to remove all double tax it was necessary to rearrange and amend the relevant position of the Act and the first schedule suitably.

OBJECTS AND REASONS [Mah. XXVIII of 1978]

Section 3 (1) of Bombay Motor Vehicles Tax Act, 1958 provided there should be levied and collected on all Motor Vehicles used or kept for use in the State, a tax at the rate fixed by the State Government by notification in the Official Gazette but not exceeding the maximum rates specified in the First Schedule. The First

Schedule divided into two parts.

OBJECTS AND REASONS [Mah. VI of 1979]

1) All Tractors and all Motor Vehicles, which are not intended to carry passengers, goods or other loads and are fitted with equipment and used for special series or purposes, were taxed under the Bombay Motor Tax Act 1958 under Clause VI in Class A in First Schedule to that act such vehicles are generally used for commercial purposes. The entire Clause VI found inadequate to recover tax at a higher rate in the case of such types of vehicles having unladen weight of more than 2,250 kgs. Because the increase in the tax rate there under was related to increase in the seating capacity and net increase in the unladen weight it was therefore necessary to amend the Schedule to take such vehicles out of the preview of Clause VI and to have a separate Clause for them in the schedule. To facilitate increase in the rate of tax on them commensurate with the higher unladen weight.

2) It was also noticed that the wording of paragraphs (a) and (e) in Clause VI in Class a in the First Schedule of the Act was not clear particularly on the question of inclusion of permissible no. of standees in the carrying capacity of a reside. It was necessary to revise the said paragraphs to clarify the intention namely rates of taxation under both the paragraphs. Related to

the number of persons permitted to be carried wheather seated or standing [MGG IV data 31/3/59] [Mah. XXII of 1979].

In this state operators of Motor Vehicles carying goods were required to pay motor vhicles tax under Bombay Motor Vehicles Tax Act, 1958 and also a separate tax under the Maharashtra Tax on goods (Carried by Road) Act, 1962 on goods carried in their vehicle there was demand from such operators for merging the tax on carriage of goods with the tax on Motor Vehicles. The Government of India had also requested the State Government to consider the merger of tax on goods carried by Motor Vehicles with tax on Motor Vehicles. In view of certain advantages involved in such merger and to reduce multiplicity of taxes this Government had accpepeted the proposal to affect such merger.

This act merges the tax on goods carried by Motor vehicles with the Motor Vehicles tax under BMVT Act, 1958 further liberlises the provision of the BMVT Act, 1958. Regarding Act once of claims for non use of motor vehicles simplifies calculation of Motor Vehicles tax for any period less than a quarter, and provides for levy of interest on the amount of tax in default, enhance the minimum fine prescribed for the office of non payment of tax to specify the manner of calculation the tax on motor vehicles brought into this State on temporary permits and facilities greater of tax exemption respectively in certain circumstances.

Mah. XIII PF 1987

Section 20 (1) of the Bombay MVT Act, 1958 was amended by the Bombay MV Tax (amendment) Act, 1969 to add a provision to take steps to the State Government for levy and collect tolls on Motor Vehicles and trailers drawn by such vehicles passenger on any Bridge on which the Government had incurred an expenditure of not less than ten lakhs of rupees or which were considered to be of special series to the Public. The levy and collection of tolls was limited to the recovery of that "Capital Cost Incurred" on the bridge. By subsequent amendment made in the said provision by the BMVT (amendment) Act, 1974 the power to levy and collect tolls was extended to motor vehicles and trailers possessing tunnels also.

THE TAX RATES WERE REVISED.

In respect of motor cars and transport vehicles in the production and availability of motor cycles, scooters and other types of two wheeled motor vehicles and the new registration of such vehicles is showing a higher upward trend as compared to other vehicles. The total number of such vehicles registered in the State as on 1st Jan 1987 was 10,36,200, and this number increased at the rate of about 30 percent every year. The collection of yearly tax from motor vehicles required lot of manpower. The amount of tax which was being collected from Motor Cycles and other two wheeled motor vehicles and

tricycles was disproportionate to the administrative cost.

If such one time tax was levied and collected from the Motor Cycles and tricycles at the time of registration, it would reduce considerably the tax collection work and would also give the Government lumpsum revenue.