

Motor Vehicles - Taxation - Motor Vehicle Tax to Omni Bus - Quarterly Tax - Payable from 1.12.2001 to 31.12.2005 - Not paid due to litigation - Collection of arrears of Motor Vehicle Tax in instalments- Orders — Issued.

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HOME (TRANSPORT-I)DEPARTMENT

Dated: 07-07-2006

G,O.Ms,No,583

Read:-

- i) G.O.Ms.No.1184, Home, dt.30.11.2001.
- ii) Division Bench of High Court of Madras Order dated 29-11-2005 in Writ Appeal Nos. 1293 to 1297 of 199S in W.P.No.212/2002 etc.,
- iii) From the Transport Commissioner Letter No,bl/51794/2002, dated 07-02-2006,06-03-2006,13-03-2006, and 02-05-2006.

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In the Government order read above, the Government of Tamil Nadu have revised Motor Vehicle tax in respect of Omni Buses, from Rs.2000A per seat per quarter to Rs.3000/- per seat per quarter with effect from 01-12-2001 Against the enhancement of tax, some of the Omni Bus operators filed writ petitions and writ appeals before the High Court of Madras and obtained an interim stay for the enhancement of tax and therefore the petitioners were allowed to pay the pre-revised rate of tax from 01-12-2001.

2. The Division Bench of the High Court of Madras in its final orders in batch of writ appeals Nos.1293 to 1297/1995 dated 29.11.2005, while dismissing all the writ appeals observed that the enhancement of rate of tax in respect of contract carriage omni buses cannot be said to be either discriminatory or unreasonable warranting interference by the court, and ordered that considering the difficulties expressed and the Appellants /petitioners had the benefit of interim order all along they were permitted to make appropriate representation to the Government within a period of two weeks and the Government was free to consider and pass appropriate orders within a period of four weeks thereafter. Accordingly, the representations filed by Omni Bus owners Association and by some of the Omni Bus operators were considered carefully by the Government and the Govt rejected the representation requesting lowering of tax applicable to Omni Buses\_ Therefore the appellants/petitioners who were allowed to pay the pre-revised rate of tax have to pay the arrears of difference of tax for the period from 01-12-2001 to 31-12-2005 amounting to crores of rupees.

3, The Transport Commissioner has proposed that the Omni Bus operators may be allowed to pay the arrears of tax in instalments along with the regular quarterly tax to be paid by them for the quarter ending 30-06-2006,30-09-2006, 31-12-2006 and 31-03-2007 as the arrears payable would be substantial. He had further suggested that the instalment system may be allowed in respect of Home State Vehicles only since they are plying under the. control of Regional Transport Officers of this State. In respect of other State vehicles the system of paying the arrears in instalments need not be extended

for administrative reasons. The Transport Commissioner has stated that there is no specific provision either in Tamil Nadu Motor Vehicle Taxation Act. 1974 or in the Rules for collection of tax arrears in instalments or any time limit has been fixed for collection of arrears of tax in instalments.

4. The Government have examined the proposal of Transport Commissioner in detail. There is no provision either in Act or Rules to deal with such contingencies. The entire matter is under litigation for over five years. The vehicle operators paid pre-revised rates only pursuant to the interim orders of High Court. Ever, while passing the final verdict of the case on 29.11.2005, the court allowed two weeks time for the writ petitioners to make representations to the Government and four weeks time to the Government to examine the same. Therefore, the matter has been under judicial process almost up to January 2006, Such contingencies are not foreseeable. The balance payable is huge and substantial: there is no point in demanding penalty for paying in instalments. The Government, after careful consideration, decided to accept the proposal of the Transport Commissioner to collect the arrears in 4 equal quarterly instalments along with the regular quarterly instalments without penalty in respect of Home State vehicles and in one lump sum by 30-09-2006 without penalty, along with the regular quarterly instalments from other State Omni Bus vehicles.

5. Accordingly, the Government direct that the Transport Commissioner, is permitted to collect the Motor Vehicle Tax arrears due from Omni Bus Operators from 01-12-2001 to 31-12-2005 as follows

- (i) that in respect of Home State Omni Bus vehicles in Tamil Nadu, be recovered in 4 equal quarterly instalments along with the regular quarterly tax to be paid by them for the quarter ending 30-09-2006, 31-12-2006, 31-03-2007 and 30-06-2007
- (ii) that in respect of other State Omni Bus vehicles be recovered in one lump sum before 30-09-2006.

6. The Government also direct that the above arrears shall be recovered without penalty, subject to the condition that the dues are paid within the time mentioned above.

7. This order issues with the concurrence of Finance Department vide its U.O.No. 2480/P5/P/2006, dated 06-07-2006.

Pavan Raina.  
Principal Secretary to Government,

To

The Transport Commissioner, Chennai-5

All Joint Transport Commissioners, All Deputy Transport Commissioners, All Regional Transport Officers, The Accountant General, Chennai-18/35 The Accountant General (Audit) Chennai-35.