

OFFICE OF THE TRANSPORT COMMISSIONER, TELANGANA, HYDERABAD

Circular Memo.No.2045/S/2016

Dated:03-12-2019

Sub: Transport Department – Motor Vehicles – Registration of New Vehicles –Collection of Life Tax- Instructions issued- Regarding.

- Ref: 1. This office Memo.No.10937/A2/2002, dated: 02.09.2003.  
2. This office Circular Memo.No.13/4515/R1/2008, dated: 30.08.2008.  
3. Judgment of W.P.No. 5286 of 2017, dated: 02.05.2018 of Hon'ble Court of A.P & Telangana.  
4. Judgment of W.A.No.805 of 2018 and W.P.No.28612 and 45131 of 2018 of Hon'ble Court of A.P. & Telangana.  
5. Govt.Memo.No.5881/Tr.I(1)/2016, dated: 25.02.2019.

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The attention of all the Registering Authorities in the State is invited to the references cited.

The Telangana Motor Vehicles Taxation Act, 1963 as amended from time to time have issued different schedules for levy and collection of life time tax for different categories of vehicles under various Schedules to levy life tax under Section 3 of TMVT Act, 1963 based on the "Cost of the vehicle" which was referred in Third, Fourth, Sixth and Seventh Schedules.

In the reference 1<sup>st</sup> cited, instructions were issued to all the Registering Authorities to check the records of the dealers who are issuing under invoice in sale of Vehicles causing loss of revenue to the Government.

In the reference 2<sup>nd</sup> cited, instructions were issued to all the Registering Authorities on the modalities to be followed by the dealers for collection of tax and temporary registration fees whenever a vehicle is sold and delivered to customers. And all the Registering Authorities were requested to monitor and to ensure that no extra charges or additional charges in the name of the permanent registration are charged either directly or indirectly and collect the Life time tax upon the sale based on the net invoice price of the vehicle.

In the reference 5<sup>th</sup> cited, Government has instructed to take necessary action as per Circular Memo issued vide reference 2<sup>nd</sup> cited.

While the matter stood so a Writ Petition No.5286 of 2018 was filed in the Hon'ble High Court on the collection of Life Tax on the Ex-show room price. The Hon'ble Single Judge upheld the plea of the Writ Petitioner that Life Tax can be levied only on the cost of the vehicle under Sixth Schedule to the TMVT Act, 1963.

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Further in the W.A.No.805/2018, the Division Bench of the Hon'ble High Court has upheld the judgment of the Hon'ble Single Judge and held that the life tax can be paid only on the cost of the Vehicle. The Cost of the vehicle is the amount actually paid by the purchaser to the dealer.

Further in the most of the Writ Petitions filed by the applicants, the Hon'ble High Court has passed orders directing the Government to collect the Life Tax on the basis of invoice price.

In this regard, the matter has been examined in detail and decided to implement the orders of the Hon'ble High court on collection of life tax on invoice price.

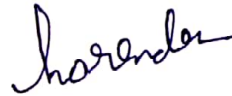
Hence, all the Registering Authorities in the State are requested to instruct the dealers in their jurisdiction that the life tax for the new vehicles be collected upon the sale based on the Net Invoice Price.

Sd/- Sandeep Kumar Sultania  
TRANSPORT COMMISSIONER

To

- 1.All the Registering Authorities with a request to inform the dealers in their jurisdiction.
- 2.Copy to Special Secretary to Hon'ble Chief Minister.
- 3.Copy to PS to Hon'ble Minister for Transport.
- 4.Copy to Principal Secretary to TR&B Department.
- 5.Copy to Government Pleader for Transport with a request to apprise the above instructions to Hon'ble High Court and see that all the W.Ps filed in the above matter may be disposed.
- 6.Copy to CC to Transport Commissioner, JTC (IT,V&E), JTC(Admn/SSRTA), DTC (Enforcement, IT, V&E)
- 7.Copy to all Dealers in Telangana State.

//By Order//



Administrative Officer  
31/12/19