

## **Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 2009**

### **33 of 2009**

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Statement of Objects and Reasons<sup>2</sup> At present, as per class 2 (II) of the First Schedule to the Tamil Nadu Motor Vehicles Taxation Act, 1974 (Tamil Nadu Act 13 of 1974), in respect of Motor Vehicles plying solely as contract carriages and permitted to carry more than five persons (other than the driver), a quarterly tax of Rs. 3,000/- is being levied. As there is no provision in the Tamil Nadu Motor Vehicles Rules, 1989 to fix the number of seats to be accommodated in a contract carriage, the contract carriage operators, are fixing lesser number of seats than the maximum number of seats possible and pay tax only for every person which the vehicle is permitted to carry. This leads to loss of revenue. Hence, in order to safeguard the tax revenue, the Government have decided to levy tax on floor area basis in respect of contract carriages permitted to carry not more than 35 persons and for other contract carriages on seat basis. The Government have, therefore, decided to amend the said Act for the above purpose. 2. The Bill seeks to give effect to the above decision. PREAMBLE An Act further to amend the Tamil Nadu Motor Vehicles Taxation Act, 1974. Be it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixtieth Year of the Republic of India as follows:-

- 1. Received the Assent of the Governor of Tamil Nadu on August 12, 2009 -- Published in Tamil Nadu Government Gazette, Extraordinary, Part IV, Section 2, Iss. No.211, page 127, dated August 17, 2009. 2. Vide L.A. Bill No.28 of 2009 -- Published in

T.N. Govt. Gazette, Extra., Part IV, Section 1, Issue No.179, pages 133-134, dated July 20, 2009.

### **1. Short Title And Commencement :-**

(1) This Act may be called the Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 2009.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

### **2. Amendment Of Section 2 :-**

In Section 2 of the Tamil Nadu Motor Vehicles Taxation Act, 1974 (Tamil Nadu Act 13 of 1974) (hereinafter referred to as the principal Act), for clause (1-A), the following clauses shall be substituted, namely:--

"(1-A) "floor area" means total floor area inside the body of the vehicle (measuring length into breath) less ten per cent standard deduction of the total floor area:

Provided that the fraction of a square metre beyond the first decimal point of the net floor area arrived at after standard deduction shall be rounded off to the next higher decimal point;

(1-B) "Government" means the State Government;"

### **3. Amendment Of First Schedule :-**

In the First Schedule to the principal Act, in class 2, for paragraph II, the following paragraph shall be substituted, namely:--

"II. Vehicles permitted to ply solely as contract carriage, whether classified as "Tourist Vehicle" or not, which the vehicle is permitted to carry,--

(a) not more than thirty-five persons (other Rs. 4,900.00 than driver), for every square meter of floor area of the vehicle;

(b) more than thirty-five persons (other Rs. 3,000.00." than driver), for every person (other than the driver).