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THE RAJASTHAN TAX ON ENTRY OF MOTOR VEHICLES INTO LOCAL AREAS ACT, 1988

THE RAJASTHAN TAX ON ENTRY OF MOTOR VEHICLES INTO LOCAL AREAS ACT, 1988 (Act No. 14 of 1988) [Received the Assent of the President on the 8th day of Nov., 1988]

An Act to provide for the levy of tax on the entry of motor vehicles into the local areas of the State for use or sale therein.

Be it enacted by the Rajasthan State Legislature in the Thirty ninth Year of the Republic of India as follows:—

1. Short title and commencement.-

- (1) This Act may be called the Rajasthan Tax on Entry of Motor Vehicles into Local Areas Act, 1988.
- (2) It shall be deemed to have come into force on the 7th day of September, 1988. (Rajasthan Tax on Entry of Motor Vehicles into Local Areas Ordinance, 1998 has been repealed by this Act).

2. Definitions.-

- (1) In this Act, unless the context otherwise requires,-
 - (a) "Accessories" means the car air-conditioner, music system and any other article fitted to a motor vehicle and which is not included in the original invoice;
 - (b) "Entry of a motor vehicle into a local area", with all its grammatical variations and cognate expressions, means entry of a motor vehicle into local area from any place outside the State but not being a place outside the territory of the Union of India for use or sale therein,
 - (c) "importer" means a person who, in any capacity brings or causes to be brought a motor vehicle into a local area from any place outside the State but not being a place outside the territory of the Union of India for use or sale therein;
 - (d) "local area" means the area within the limits of,-
 - (i) a panchayat established under the Rajasthan Panchayat Act, 1953 (Act No.21 of 1953); or
 - (ii) a municipality established under the Rajasthan Municipalities Act, 1959 (Act No.38 of 1959); or
 - (iii) a notified area committee or a cantonment board constituted or established under any law for the time being the force;
 - (e) "motor vehicle" means a motor vehicle as defined in clause (18) of section 2 of the Motor Vehicles Act, 1939 and includes motor cars, motor taxi cabs, motor cycles, motor cycle combinations, motor scooters, motorettes, motor omnibuses, motor minibuses, motor vans, motor lorries, trailers and chassis of motor vehicles and bodies or tankers built or meant for mounting on chassis of motor vehicles, but excludes tractors;
 - (f) "person" includes any company or association or body of individuals, whether incorporated or not, and also a Hindu undivided Family, a firm, a local authority, the Government of any State or Union Territory;
 - (g) "purchase value" means the value of motor vehicle, as ascertained from original invoice and includes the value of accessories fitted to the vehicle, insurance, excise duties, countervailing duties, sales tax, transport fee, freight charges and all other charges incidentally levied on the purchase of a motor vehicle:

Provided that where the purchase value of a motor vehicle is not ascertainable on account of non-availability or non-production of the original invoice or when the invoice produced is proved to be false or if the motor vehicle is acquired or obtained otherwise than by way of purchase, then the purchase value shall be the value or price at which motor vehicle of like kind or quality is sold or is capable of being sold in open market;

- (h) "State" means the State of Rajasthan; and
- (i) "tax" means the tax payable under this Act.

(2) Words and expressions used but not defined in this Act shall have the meanings assigned to them under the Rajasthan Sales Tax Act, 1954 (ActNo.29of1954).

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3. Incidence of Tax,-

(1) There shall be levied and collected a tax on the purchase value of a motor vehicle, an entry of which is effected into a local area for use or sale therein and which is liable for registration in the State under the Motor Vehicles Act, 1939 (Central Act 4 of 1939), at such rate or rates as may be notified by the State Government from time to time but not exceeding the rates notified for motor vehicles under section 5 of the RST Act, 1954 (Rajasthan Act 29 of 1954) or fifteen percent of the purchase value of a motor vehicle, whichever is less:

Provided that no tax shall be levied and collected in respect of a motor vehicle which was registered in any Union Territory or any other State under the Motor Vehicles Act, 1939 (Central Act 4 of 1939) for a period of fifteen months or more before the date on which it is liable to be registered in the State under the said Act.

- (2) The tax shall be payable by an importer, -
- (a) if he is a dealer registered or liable to be registered under the provisions of the RST Act, 1954. (Act No.29 of 1954), in the manner and within the time as tax on sales is payable by him under the said Act; and
 - (b) if he is a person not covered by clause (a), on the date of entry of the motor vehicle into the local area, to the incharge of the entry checkpost or the Commercial Taxes Officer of the area where he ordinarily resides or carries on any business or provides any service, and the provisions of the RST Act, 1954 (Act No.29 of 1954) as applicable to a registered dealer or casual trader shall, mutatis mutandis, apply to such dealer or, as the case may be, such person.
- (3) The tax shall be in addition to the tax levied and collected as octroi by any local authority within its local area.

4. Reduction in tax liability. -

- (1) Where an importer of a motor vehicle liable to pay tax under this Act, being a dealer in motor vehicles, becomes liable to pay tax under the RST Act, 1954 (Act No.29 of 1954) by virtue of the sale of such motor vehicle, then his liability under the RST Act, 1954 shall be reduced to the extent of tax paid under this Act.
- (2) The amount of tax leviable under this Act shall, subject to such conditions as may be prescribed, be reduced to the extent of the amount of tax paid, if any, under the law relating to General Sales Tax as may be in force in any other State or Union Territory 1[or

under the Central Sales Tax Act, 1956(Central Act No. 74 of 1956)] by an importer who, not being a dealer registered under the provisions of the RST Act (Act No.29 of 1954), had purchased the motor vehicle in that State for his own use.

5. Exemption from tax,-

Where the State Govt. is of the opinion that it is necessary or expedient in the public interest so to do, it may, by notfn in the Official Gazette exempt, whether prospectively or retrospectively, from tax any class of motor vehicles or any class of persons on such conditions as may be specified in the notification.

6. Offences and penalties,-

- (1) Where any person liable to pay tax under this Act fails to comply with any of the provisions of the Act or rules made thereunder, then the assessing authority may, after giving such person a reasonable opportunity of being heard, by order in writing impose on him in addition to any tax payable, a sum by way of penalty not exceeding fifty percent of the amount of tax.
- (2) Subject to the provisions of this Act, all the provisions relating to offences and penalties, including interest, of the RST Act, 1954 (Act No.29 of 1954) shall mutatis mutandis, apply in relation to the assessment, reassessment, collection and enforcement of payment of tax required to be collected under this Act or in relation to any process connected with such assessment, reassessment, collection or enforcement of payment as if the tax under this Act were a tax under the said Act.

7. Applicability of the provisions of the RST Act, 1954 (Act No.29 of 1954) and the rules made thereunder-

Subject to the provisions of this Act and the rules made thereunder, the authorities empowered to assess, reassess, collect and enforce payment of tax under the RST Act, 1954 (Act No.29 of 1954) shall assess, reassess, collect and enforce payment of tax including penalty or interest payable by an importer under

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this Act as if the tax, penalty or interest were payable under the said Act, and for this purpose they may exercise all or any of the powers assigned to them under the said Act and all the provisions of the said Act and the rules made thereunder for the time being in force including the provisions relating to returns, advance payment of tax, provisional assessments, recovery of tax, appeals, rebates, penalties, interest, compounding of offences and other miscellaneous matters shall, mutatis mutandis, apply.

8. Power to make rules.-

- (1) The State Govt. may by notification in the Official Gazette, and subject to the condition of previous publication make rules for carrying out the purposes of this Act:
Provided that, if the State Government is satisfied that circumstances exist which render it necessary to take immediate action, it may dispense with the previous publication of any rule to be made under this section.
- (2) All rules made under this Act shall be laid, as soon as may be after they are so made,

before the House of the Legislature while it is in session for a period of not less than fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which they are so laid or the session immediately following, the House of the State Legislature makes any modification in such rules, or resolves that any such rules should not be made, such rules shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done thereunder.

9. Repeal and Savings.-

- (1) The Rajasthan Tax on Entry of Motor Vehicles into Local Areas Ordinance, 1988 (Ordinance No.11 of 1988) is hereby repealed.
- (2) Notwithstanding such repeal, all things done, actions taken or orders made under the said Ordinance shall be deemed to have been done, taken or made under this Act.