

**Commercial Taxes Department**

**Press note regarding Finance Bill**

In view of the difficulties being faced by dealers in generating electronic permits for inter-state purchase of goods like Coal, Stone chips, Marble, Timber a new system is being proposed whereby such dealers will be permitted to pay a fixed sum of money or an amount at a fixed rate in lieu of the tax payable on the sale of such goods. Accordingly, the Bill proposes to insert a new Section 15B in the Bihar Value Added Tax Act, 2005.

At present such professionals deriving income from sources other than salary and who are remitting professional tax at the maximum rate of Rs.2500, alongwith any interest that may be payable thereon, are not required to furnish any return. All other professionals liable to professional tax are required by the Act to file a return which casts an administrative burden on the Department, apart from posing difficulties for the tax payers. Accordingly, the Bill propose to amend Section 7 of the Bihar professional Tax Act with a view to exempting all professionals deriving income from sources other than salary from the obligation of submitting a return.

**Proposal for Amendment in Bihar Motor Vehicles  
Taxation Act, 1994**

**1. Exemption in Road tax under following condition for a female in Public Transportation**

" If a new vehicle three wheeler/taxis/motor cab/maxi cab is being registered in the name of a female as commercial vehicle and she possessed a valid transport driving license with a purpose to operate/ply either herself or by any other female driver having valid transport driving license exclusively, then the said vehicle will be given 100% exemption in road tax.

**2. Existing rate of tax on invalid carriage is Rs. 17.50 per Annum. To grant relief to the person with disability, it is proposed to grant 100% exemption from road tax.**

**3. Penalty enhancement on vehicle registered outside the state**

“ Vehicles registered in other States, if found plying in the State of Bihar without payment of prescribed taxes or without a valid permit, shall be liable to pay taxes prescribed for 30 days period for vehicles plying under temporary permit and in addition to this, a penalty equal to two times of tax amount. Amount of penalty shall not be less than Rs. 5000/(Rs. Five Thousand)”

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**4. Proposal for E-payment receipt treated as Tax Token –**

“ The computerized token issued under E-payment scheme launched by the State Govt. for the payment of road tax through banks as a result of payment of tax by the vehicle owner through Debit card/Credit card/ internet banking etc, shall be treated as a valid ‘Tax Token’ under the Act. Signature of the Taxing Officer shall not be required on such token. Similarly, the tax token issued through ‘VAHAN’ software shall not require signature of taxing officer.”

**5. Amendment in sub section (5) of section-7 - The following proviso of sub section (5) of section-7 is being deleted namely –**

“Provided that quarterly tax shall not be collected in respect of transport vehicles coming from other States intending to ply temporarily in the State and in any condition the following rate of tax shall not exceed". It is being deleted because taxes are not possible to increase as per inflation.

Proposed rate of road tax									
Sr.	Type of Vehicles	Existing Taxation Rate of Bihar				Proposed Taxation Rate of Bihar	Previous Revision	Tax rate of	Remarks
1	2	3	4	5	6	7	8	9	10
1	Taxi/Cab					@ 5 % of the Vehicle Cost (excluding VAT) for New Vehicle	New provision	U.P. 14100.00 Per Annum, M.P. Rs. 3600.00 PA, Karnatka 3000.00 PA, Maharast ra 7150.00 PA.	
		Seating Capacity	Road Tax(Rs.)	Addl. Tax(Rs.)	Total (Rs.)	For already registered Vehicle			
		Upto 4 seat (Per Annum)	528.00	1600.00	2128.00	Rs. 3200 per annum for 4 seats + Rs. 500.00 for every addl. seat per annum	1994		
		For 5 seat (Per Annum)	616.00	1600.00	2216.00				
2	Bus	Seating Capacity				Rs. 500 per Seat per annum	1994	U.P. Rs. 1250.00 Per Seat Per Annum, M.P. Rs. 1440.00 PSPA. Karnatka 1333.00 PSPA, Maharas htra 1900.00 PSPA, Odisa 1800.00 PSPA, Gujarat 6000.00 PSPA.	15 to 28% increase
		13 to 26							
		27 to 32				Rs. 550 per Seat per annum			
		33 and above				Rs. 650 per Seat per annum			
		Volvo , Luxurious and similar buses	NIL			Rs. 1000 per Seat per annum	New provision		

## Proposed rate of road tax

Sl.No	Type of Vehicles	Proposed Rate of Taxation	Previous Revision	Tax Rate of	Remarks
1	2	3	4	5	6
1	Tractor	<b>2% of V.C. (excluding VAT) for Life Time</b>	2010	More in U.P and W.B	Agricultural Tractor is 100% exempted from road tax
2	Trailer	<b>@ Rs. 10000 all type of trailer for Life Time</b>		More in U.P , W.B, Odissa and Jharkhand	It is 75% of existing rate of same registered laden weight of truck
3	2 Wheeler	<b>7% of vehicle cost (excluding VAT)</b>	2012	More in U.P , W.B, and other states	
4	4 Wheeler	<b>@ 7% of Vehicle Cost (excluding VAT)</b>	2012	More in U.P , W.B, M.P and other states	
5	3 Wheeler For (4+1) Seater	<b>9000 for 15 years. OR Rs. 6000 (For 10 Years) + Rs. 6000 For next 5 years</b>	2010	More in U.P , W.B, M.P and Jharkhand	
	For (7+1) Seater	<b>13500 for 15 years OR Rs. 9000 (For 10 Years)+ Rs. 9000 for next 5 years</b>			