



**KARNATAKA LEGISLATIVE ASSEMBLY  
SIXTEENTH LEGISLATIVE ASSEMBLY  
SIXTH SESSION  
THE KARNATAKA MOTOR VEHICLES TAXATION (AMENDMENT)  
BILL, 2025  
(LA Bill No. 20 of 2025)**

A Bill further to amend the Karnataka Motor Vehicles Taxation Act, 1957.

Whereas it is expedient further to amend the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) for the purpose hereinafter appearing:

Be it enacted by the Karnataka State Legislature in the seventy sixth year of the Republic of India as follows:

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Motor Vehicles Taxation (Amendment) Act, 2025.

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

**2. Amendment of section 3.-** In section 3 of the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) (hereinafter referred to as the Principal Act), in sub-section (1), in the fifth proviso, in clause (d), the words “the cost of which exceeds rupees ten Lakhs” shall be omitted.

**3. Amendment of section 4.-** In section 4 of the Principal Act, in sub-section (1), in the fifth proviso, the words “the cost of which exceeds rupees ten Lakhs” shall be omitted.

**4. Amendment of the Schedule.-** In the schedule of the Principal Act,-

(i) for PART A7 except Notes, the following shall be substituted, namely:-

**“PART A7  
(see section 3(1))**

**Lifetime Tax for Construction Equipment Vehicles (As defined under clause (cab) of rule 2 of the Central Motor Vehicle Rules, 1989) and vehicles fitted with Air Compressor and Generators**

<b>Sl No</b>	<b>Class of vehicles</b>	<b>Percentage of Tax Levied on Construction Equipment Vehicles</b>
<b>A</b>	At the time of Registration of New Vehicles	8 percent of cost of the vehicle
<b>B</b>	If the vehicle is already registered and its age from the month of Registration is:	Percentage of the Life Time Tax levied under Clause A
<b>1</b>	Not more than 2 years	93%
<b>2</b>	More than 2 Years but not more than 3 Years	87%
<b>3</b>	More than 3 Years but not more than 4 Years	81%
<b>4</b>	More than 4 Years but not more than 5 Years	75%
<b>5</b>	More than 5 Years but not more than 6 Years	69%
<b>6</b>	More than 6 Years but not more than 7 Years	64%
<b>7</b>	More than 7 Years but not more than 8 Years	59%
<b>8</b>	More than 8 Years but not more than 9 Years	54%
<b>9</b>	More than 9 Years but not more than 10 Years	49%
<b>10</b>	More than 10 Years but not more than 11 Years	45%
<b>11</b>	More than 11 Years but not more than 12 Years	41%
<b>12</b>	More than 12 Years but not more than 13 Years	37%
<b>13</b>	More than 13 Years but not more than 14 Years	33%
<b>14</b>	More than 14 Years but not more than 15 Years	29%
<b>15</b>	More than 15 years	25%

(ii) for Part A8 of the Principal Act, the following shall be substituted, namely:-

**“PART A8  
(see section 3(1))**

**Life time Tax for Motor Cabs other than those registered out-side the State and covered with the permit issued under sub-section (9) of section 88 of the Motor Vehicle Act, 1988 (Central Act 59 of 1988).**

<b>Sl No</b>	<b>Class of vehicles</b>	<b>Cost of the vehicle which exceeds Rs. 10 Lakhs</b>	<b>Cost of the vehicle which exceeds Rs. 10 Lakhs but does not exceeding Rs. 15 Lakhs</b>	<b>Cost of the vehicle which exceeds Rs. 15 Lakhs</b>	<b>Motor Cabs which run on Electricity having cost of the vehicle which exceed Rs. 25 Lakhs</b>
<b>A</b>	At the time of Registration of New Vehicles	5 % of the cost of the vehicle	9% of the cost of the vehicle	15% of the cost of the vehicle	10% of the cost of the vehicle
<b>B</b>	If the vehicle is already registered and its age from the month of Registration is:	Percentage of the Life Time Tax levied under Clause A	Percentage of the Life Time Tax levied under Clause A	Percentage of the Life Time Tax levied under Clause A	Percentage of the Life Time Tax levied under Clause A
<b>1</b>	Not more than 2 years	93%	93%	93%	93%
<b>2</b>	More than 2 Years but not more than 3 Years	87%	87%	87%	87%
<b>3</b>	More than 3 Years but not more than 4 Years	81%	81%	81%	81%
<b>4</b>	More than 4 Years but not more than 5 Years	75%	75%	75%	75%
<b>5</b>	More than 5 Years but not more than 6 Years	69%	69%	69%	69%
<b>6</b>	More than 6 Years but not more than 7 Years	64%	64%	64%	64%

<b>7</b>	More than 7 Years but not more than 8 Years	59%	59%	59%	59%
<b>8</b>	More than 8 Years but not more than 9 Years	54%	54%	54%	54%
<b>9</b>	More than 9 Years but not more than 10 Years	49%	49%	49%	49%
<b>10</b>	More than 10 Years but not more than 11 Years	45%	45%	45%	45%
<b>11</b>	More than 11 Years but not more than 12 Years	41%	41%	41%	41%
<b>12</b>	More than 12 Years but not more than 13 Years	37%	37%	37%	37%
<b>13</b>	More than 13 Years but not more than 14 Years	33%	33%	33%	33%
<b>14</b>	More than 14 Years but not more than 15 Years	29%	29%	29%	29%
<b>15</b>	More than 15 years	25%	25%	25%	25%

(iii) for Part C7 of the Principal Act, the following shall be substituted, namely:-

**"PART C7  
(see section 7(3))  
Refund Table for Motor Cab**

<b>Sl. No.</b>	<b>If after the registration removal of vehicles or cancellation of Registration of vehicle taken place.</b>	<b>Percentage of Life Time Tax paid to be refunded</b>
1	Within a year	93%
2	After 1 year but within 2 years	87%
3	After 2 year but within 3 years	81%

4	After 3 year but within 4 years	75%
5	After 4 year but within 5 years	69%
6	After 5 year but within 6 years	64%
7	After 6 year but within 7 years	59%
8	After 7 year but within 8 years	54%
9	After 8 year but within 9 years	49%
10	After 9 year but within 10 years	45%
11	After 10 year but within 11 years	41%
12	After 11 year but within 12 years	37%
13	After 12 year but within 13 years	33%
14	After 13 year but within 14 years	29%
15	After 14 year but within 15 years	25%
16	After 15 years	Nil

”

**5. Power to remove difficulty.-** (1) If any difficulty arises in giving effect to the provisions of the Karnataka Motor Vehicles Taxation (Amendment) Act, 2025 the State Government may, by order published in the Official Gazette, make such provisions as may appear to it be necessary or expedient for the purposes removing difficulty:

Provided that, no such order shall be made after the expiry of a period of two years from the date of commencement of the Karnataka Motor Vehicles Taxation (Amendment) Act, 2025.

(2) Every order made under sub-section (1) shall, as soon as after it is made, be laid before the State Legislature.

### **STATEMENT OF OBJECTS AND REASONS**

It is considered necessary further to amend the Karnataka Motor Vehicle Taxation Act, 1957 (Karnataka Act No 35 of 1957) to give effect to make collection of tax effectively and to reduce the tax payment defaulters for the ex-chequer and certain other consequential amendments are also made.

Hence, the Bill.

## FINANCIAL MEMORANDUM

There is no financial expenditure for this proposal.

However, it is expected to collect rupees 112.51 crores from the proposed legislative measure from 15,228 motor cab vehicles (which does not exceed ten lakhs), 650 motor cabs (which runs on electricity) whose cost of the vehicles exceed Rs. 25 Lakhs and 4489 construction equipment vehicles expected to register in the year 2025-26.

**RAMALINGA REDDY**  
Minister for Transport  
and Muzrai

**M.K. VISHALAKSHI**  
Secretary  
Karnataka Legislative Assembly

## ANNEXURE

### Extract of the Karnataka Motor Vehicle Taxation Act, 1957 (Karnataka Act No. 35 of 1957)

**XXX**

**XXX**

**XXX**

**3. Levy of tax.-** (1) A tax at the rates specified in Part A of the Schedule shall be levied on all motor vehicles suitable for use on roads :

**XXX**

**XXX**

**XXX**

(d) in the case of Motor Cabs the cost of which exceeds Rupees ten lakhs other than those registered outside the State and covered with a permit issued under subsection (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988)] 3 tax shall be levied at the rates specified in Part-A8 of the schedule.

**XXX**

**XXX**

**XXX**

**4. Payment of tax.-** (1) The tax levied under section 3 shall be paid in advance by the registered owner or person having possession or control of the motor vehicle, for a quarter, half-year or year, at his choice, within a month from the commencement of such quarter, half-year, or year as the case may be:

**XXX**

**XXX**

**XXX**

Provided also that in case of three wheelers including auto rickshaws used for transportation of goods not exceeding 1500 kgs. in weight laden and vehicles permitted to carry three passengers (excluding driver) either for hire or reward or not, motor cycle (including motor scooter and cycle with attachment for propelling the same by mechanical power) and motor cars including jeeps, (other than those owned by the Central Government Employees, Defence personnel or employees of public sector undertakings owned by Government of India including nationalised banks which are brought with them to the State of Karnataka on transfer for which lifetime tax, or tax quarterly or annually, as the case may be, has already been paid in other states or Union territories, omni buses and private service vehicles having floor area not exceeding five square meters and motor cabs the cost of which exceeds Rupees ten lakhs specified in the fourth proviso to subsection (1) of section 3 in respect of which tax is already paid prior to the first day of April, 1997 or prior to the date of commencement of the Karnataka Motor Vehicles Taxation (Second Amendment) Act, 2011 as the case may be, the tax specified in the first proviso or in the fourth proviso to sub-section (1) of section 3 as the case may be shall be levied after the expiry of the period for which tax is paid under sub-section (1) and the tax shall be paid within one month from the date of expiry of the said period.

**XXX****XXX****XXX****“Part A7****See Section 3(1)**

**Lifetime Tax for Construction Equipment Vehicles (As defined under clause (cab) of rule 2 of the Central Motor Vehicle Rules, 1989) and vehicles fitted with Air Compressor and Generators**

<b>Sl No</b>	<b>Class of vehicles</b>	<b>Percentage of Tax Levied on</b>
<b>A</b>	At the time of Registration of New Vehicles	6 percent of the cost of the vehicle
<b>B</b>	If the vehicle is already registered and its age from the month of Registration is:	Percentage of the Life Time Tax levied under Clause A
<b>1</b>	Not more than 2 years	93%
<b>2</b>	More than 2 Years but not more than 3 Years	87%
<b>3</b>	More than 3 Years but not more than 4 Years	81%

<b>4</b>	More than 4 Years but not more than 5 Years	75%
<b>5</b>	More than 5 Years but not more than 6 Years	69%
<b>6</b>	More than 6 Years but not more than 7 Years	64%
<b>7</b>	More than 7 Years but not more than 8 Years	59%
<b>8</b>	More than 8 Years but not more than 9 Years	54%
<b>9</b>	More than 9 Years but not more than 10 Years	49%
<b>10</b>	More than 10 Years but not more than 11 Years	45%
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<b>12</b>	More than 12 Years but not more than 13 Years	37%
<b>13</b>	More than 13 Years but not more than 14 Years	33%
<b>14</b>	More than 14 Years but not more than 15 Years	29%
<b>15</b>	More than 15 years	25%

### Notes

1. In respect of vehicles for which tax was due prior to the 1st day of April, 2010, but has not been paid, such tax shall be collected at the rates prevailing prior to such day along with the penalty due, if any.

2. Purchase Invoice shall be produced in respect of vehicles which are registered on or after 1st day of April 2007.

3. Cost of the vehicle in relation to a motor vehicle means –

(a) In respect of a vehicle manufactured in India, cost of the vehicle as per the purchase invoice issued either by the manufacturer or by the dealer of the vehicle including the excise duty, surcharge or cess, Goods and Services Tax etc., as payable in the State of Karnataka 5 [whichever is higher ; and

(b) In respect of an imported motor vehicle, irrespective of its place of manufacture, the total cost incurred in importing the vehicle, that is to say, the value of the motor vehicle as endorsed in the Bill of Entry or such other document and assessed as such under the Customs Act. 1962, together with the Customs Duty levied, freight charges incurred and other taxes levied thereupon including additional duty/penalty levied if any, by the Customs Department or any other Department.



**“PART A8  
(see section 3(1))**

**Lifetime Tax for Motor Cabs other than those registered out- side the State and covered with the permit issued under sub-section (9) of Section 88 of the Motor Vehicle Act 1988(Central Act 59 of 1988).**

<b>Sl No</b>	<b>Class of vehicles</b>	<b>Cost of the vehicle which exceeds Rs. 10 Lakhs but does not exceeding Rs. 15 Lakhs</b>	<b>Cost of the vehicle which exceeds Rs. 15 Lakhs</b>
<b>A</b>	At the time of Registration of New Vehicles	9% of the cost of the vehicle	15% of the cost of the vehicle
<b>B</b>	If the vehicle is already registered and its age from the month of Registration is:	Percentage of the Life Time Tax levied under Clause A	Percentage of the Life Time Tax levied under Clause A
<b>1</b>	Not more than 2 years	93%	93%
<b>2</b>	More than 2 Years but not more than 3 Years	87%	87%
<b>3</b>	More than 3 Years but not more than 4 Years	81%	81%
<b>4</b>	More than 4 Years but not more than 5 Years	75%	75%
<b>5</b>	More than 5 Years but not more than 6 Years	69%	69%
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<b>10</b>	More than 10 Years but not more than 11 Years	45%	45%
<b>11</b>	More than 11 Years but not more than 12 Years	41%	41%
<b>12</b>	More than 12 Years but not more than 13 Years	37%	37%
<b>13</b>	More than 13 Years but not more than 14 Years	33%	33%
<b>14</b>	More than 14 Years but not more than 15 Years	29%	29%
<b>15</b>	More than 15 years	25%	25%

**XXX**

**XXX**

**XXX**

**"PART C7**  
**(see section 7(3))**  
**Refund Table for Motor Cab cost of which exceeds Rs 10 Lakhs**

<b>Sl. No.</b>	<b>If after the registration removal of vehicles or cancellation of Registration of vehicle taken place.</b>	<b>Percentage of Life Time Tax paid to be refunded</b>
1	Within a year	93%
2	After 1 year but within 2 years	87%
3	After 2 year but within 3 years	81%
4	After 3 year but within 4 years	75%
5	After 4 year but within 5 years	69%
6	After 5 year but within 6 years	64%
7	After 6 year but within 7 years	59%
8	After 7 year but within 8 years	54%
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11	After 10 year but within 11 years	41%
12	After 11 year but within 12 years	37%
13	After 12 year but within 13 years	33%
14	After 13 year but within 14 years	29%
15	After 14 year but within 15 years	25%
16	After 15 years	Nil

**XXX**

**XXX**

**XXX**