



తెలంగాణ రాజపత్రము
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TELANGANA BILLS
TELANGANA LEGISLATIVE ASSEMBLY

The following Bill was introduced in the Telangana Legislative Assembly on 2nd January, 2026.

L. A. BILL No. 5 OF 2026.

**A BILL FURTHER TO AMEND THE TELANGANA MOTOR
VEHICLES TAXATION ACT, 1963.**

Be it enacted by the Legislature of the State of Telangana in the Seventy-Sixth Year of the Republic of India, as follows:-

1. (1) This Act may be called the Telangana Motor Vehicles Taxation (Amendment) Act, 2026.

**Short title
and
commence-
ment.**

(2) It shall come into force on such date as the State Government may, by notification in the Telangana Gazette, appoint; and different dates may be appointed for different

provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amend-
ment of
Section 3.

Act No.5
of 1963.

2. In the Telangana Motor Vehicles Taxation Act, 1963 (hereinafter referred to as the principal Act), in section 3, in sub-section (2), after the sixth proviso, the following provisos shall be inserted, namely,-

“Provided further that in the case of four-wheeled Light Goods Carriages, the tax shall be levied at the rate specified in the Eighth Schedule.

Provided further that in respect of four-wheeled Light Goods Carriages which are already registered in other States and brought on the rolls of the State of Telangana, the tax shall be levied at the rate specified in the Eighth Schedule.”.

Insertion
of new
section
3-C.

3. In the principal Act, after section 3-B, the following section shall be inserted, namely:-

“3-C. **Levy of Road Safety Cess:** (1) There shall be levied and collected a Cess called the Road Safety Cess, in addition to the tax levied under section 3 on the Motor Vehicles suitable for use on roads.

(2) The Road Safety Cess shall be levied for the purpose of implementing various measures to enhance Road Safety and shall be applicable to such categories of vehicles and at such rates as specified in the Ninth Schedule.

(3) The amount collected from the Road Safety Cess shall be credited to a dedicated, non-lapsable bank account, in such manner as may be prescribed by the Government.

(4) The amount so collected shall be utilised exclusively for purposes of enhancing Road Safety.”.

Insertion
of new
Schedules.

4. In the principal Act, after the Seventh Schedule, the following new Schedules shall be inserted, namely,-

THE EIGHTH SCHEDULE

(see Seventh and Eighth provisos to sub-section (2) of section 3)

Sl. No.	Period	Rate of Tax on 4 wheeled Light Goods Carriages.
(1)	(2)	(3)
1.	At the time of registration of new vehicle.	7.5% of the cost of the vehicle.
2.	If the vehicle is already registered and brought on the rolls of Telangana from other States and its age from the month of the registration is: i) Less than 3 years. ii) More than 3 years and less than 6 years. iii) More than 6 years	6.5% of the cost of vehicle. 5.0% of the cost of vehicle. 4.0 % of the cost of vehicle.

Note:

(1) In respect of old in-use vehicles covered in this Schedule belonging to the State of Telangana, the existing Quarterly tax shall continue to be paid.

(2) In respect of old in-use Three Wheeled Goods Carriages, it is exempted.

THE NINTH SCHEDULE

(See section 3-C)

Sl. No.	Class of Vehicle	Amount of one time Road Safety Cess to be collected at the time of Registration of New vehicles.
(1)	(2)	(3)
1.	Non-Transport Vehicles	
	a) Motor Cycles	Rs. 2,000/-
	b) Light Motor Vehicle (except tractors and tractor-trailers used for Agricultural purposes).	Rs. 5,000/-
2.	For all non-transport and all other Transport vehicles other than Motor Cycles and Light Motor Vehicles (except three wheeled contract carriages i.e., passenger auto rickshaws seating capacity of four, five, six and seven in all)	Rs.10,000/-

STATEMENT OF OBJECTS AND REASONS

The Hon'ble Supreme Court directed all the State Governments to establish a dedicated Road Safety Fund. Several states including Kerala, Karnataka, Tamilnadu and Maharashtra have already introduced "Road Safety Cess" at the time of first registration of new Motor vehicles.

Taxes on Motor Vehicles constitute a significant source of revenue for the State. The Taxes and Fees so collected under the Motor Vehicles Taxation Act, 1963 (Act No.5 of 1963) are vital for upgrading road infrastructure, implementing road-safety initiatives for ensuring safe and efficient passenger and goods transport.

The Telangana Motor Vehicles Taxation Act, 1963 presently prescribes, through various schedules, the rate of tax payable by vehicles either registered in Telangana or entering Telangana from other States.

Introduction of a one-time Road Safety Cess.

To mobilize dedicated resources for road safety measures, the Bill proposes a one-time Road Safety Cess, payable at first registration, at the following rates:

- ₹ 2,000 for two wheelers;
- ₹ 5,000 for light motor vehicles, excluding agricultural tractors and tractor trailers; and
- ₹ 10,000 for all other non-transport and transport vehicles, except (i) motorcycles, (ii) light motor vehicles, and (iii) three wheeled contract carriages (passenger autorickshaws seating four to seven persons in all).

Introducing the Life tax on four wheeled Light Goods Carriages:

Four wheeled Light Goods Carriages: a life time tax at 7.5/ per cent of the cost of the vehicle, both for newly registered vehicles and for vehicles already registered elsewhere and brought on to the rolls of Telangana.

Collection of the tax upfront at the time of registration will simplify compliance for vehicle owners and curb widespread non-payment of quarterly tax in these categories.

To achieve the above object, it is proposed to amend the relevant provisions of the Telangana Motor Vehicles Taxation Act, 1963 (Act No.5 of 1963), by way of legislation.

This Bill seeks to give effect to the above decision.

PONNAM PRABHAKAR,
Minister for Transport and Backward
Classes Welfare.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 1 and 3 of the Bill authorize the Government to issue notifications in respect of matters specified therein and generally to carry out the purposes of the Act. All such notifications and rules issued which are intended to cover matters mostly of procedural in nature are to be laid on the table of both the Houses of the State Legislature and will be subject to any modifications made by the State Legislature.

The above provisions of the Bill regarding delegated legislation are thus of normal type and are mainly intended to cover matters of procedure.

PONNAM PRABHAKAR,

- Minister for Transport and Backward
Classes Welfare.

**MEMORANDUM UNDER RULE 95 OF THE RULES OF
PROCEDURE AND CONDUCT OF BUSINESS IN THE
TELANGANA LEGISLATIVE ASSEMBLY**

The Telangana Motor Vehicles Taxation (Amendment) Bill, 2026 after it is passed by both the Houses of the State Legislature may be submitted to the Governor for his assent under article 200 of the Constitution of India.

PONNAM PRABHAKAR,
Minister for Transport and Backward
Classes Welfare.

RENDLA THIRUPATHI,
Secretary to Legislature
(Legislative Assembly).