

**THE TAMIL NADU TAX ON  
ENTRY OF MOTOR VEHICLES  
INTO LOCAL AREAS RULES, 1990**  
**(G.O. P. No. 95 , dated the 20<sup>th</sup> February, 1990)**

**No. S.R.O. A – 21 (B) / 90** - In exercise of the powers conferred by sub-section (1) and (2) of Section 18 of the Tamil Nadu Tax on Entry of Motor Vehicles in to Local Areas Ordinance , 1990 (Tamil Nadu Ordinance No. 1 of 1990) , the Governor of Tamil Nadu hereby makes the following rules :-

CHAPTER I  
**PRELIMINARY**

**1. Short title and commencement ,-** (1) These rules may be called the Tamil Nadu Tax on Entry of Motor Vehicles into Local Areas Rules, 1990.

(2) They shall come into force on 20<sup>th</sup> February, 1990.

**2. Definitions :-** (1) In these rules, unless the context otherwise requires ,-

(a) “**Form**” means a form appended to these rules ;

(b) “**Government Treasury**” means a Treasury or sub-treasury of the State Government;

(c) “**Ordinance**” means the Tamil Nadu Tax on Entry of Motor Vehicles into Local Areas Ordinance ,1990 (Tamil Nadu Ordinance No. 1 of 1990);

(d) “**Quarter**” means the period of 3 months ending with the 30<sup>th</sup> June, 30<sup>th</sup> September, 31<sup>st</sup> December or 31<sup>st</sup> March;

(e) “**Section**” means the section of the Ordinance;

(f) “**Tax**” means the entry tax payable under the Ordinance.

(2) Words and expressions used but not defined in these rules shall have the same meanings, respectively, assigned to them in the Ordinance or, as the case may be, in the Tamil Nadu General Sales Tax Act, 1959, (Tamil Nadu Act No. 1 of 1959) or the Tamil nadu General Sales Tax Rules, 1959.

CHAPTER II  
**RETURNS, ASSESSMENT, PAYMENT OF  
TAX AND REFUND**

- 3. Submission of returns and payment of tax** ,- (1) The returns required to be furnished under Section 7 by an importer shall be in Form I. Such form shall be obtained only from the Government treasury or the office of the assessing authority and shall consist of a return-*cum*-challan. Every importer, who is required to furnish such returns shall furnish it duly signed by him or by a person authorised by him in this regard, to the authorities specified below, as follows :-
- (a) Where tax or penalty is due and payable according to the return, such a return shall be furnished to the Government Treasury while making payment of such tax or penalty or both;
  - (b) Where no tax or penalty is due and payable according to the return, such return shall be furnished to the assessing authority, within whose jurisdiction the place of business of an importer, who is a dealer, liable to pay tax under the General Sales Tax Act, or the case may be, the place of residence of an importer, who is a person other than a dealer liable to pay tax under the General Sales tax Act is situated.
2. An importer, who is a dealer in motor vehicles, liable to pay tax under the General Sales Tax Act shall furnish return for each month and each such return shall be furnished on or before the 20<sup>th</sup> day of the month immediately succeeding.
3. An importer other than the one specified in sub-rule (2) shall furnish return for only the quarter in which an entry of motor vehicle into a local area is effected by him and such return shall be furnished on or before the last day of the month immediately succeeding the quarter.
- 4. Time for payment and method of payment**,- (1) Every importer required to furnish return under Rule 3 shall, on or before the date prescribed for submission of such return first pay into the Government Treasury, the tax due and payable according to such return, and penalty if any, payable by him under Section 15;
2. Tax or penalty payable otherwise than according to the return or that which is not paid with the return shall be paid into the Government Treasury with challan in Form II;

3. Every payment of tax or penalty or both under sub-rule (1) of sub-rule(2) shall be accompanied by a return-cum-challan in form I or by a challan in Form II, respectively;
4. The form accompanying the payment as stated in sub-rule (3) shall be duly filled in, signed and verified by the payer and the amount paid should be stated both in words and in figures in the space provided for that purpose in the respective form;
5. The payments shall be made into the Government Treasury. The portion of the form concerned marked “ for the payer” shall be returned by the Government Treasury to the importer duly receipted and the portion of the form marked “ for the assessing authority” shall be forwarded by the Government Treasury to the assessing authority specified in clause (b) of sub-rule (1) of Rule 3.

**5. Notice for payment of tax not paid according to return,-**

Where an importer has furnished a return under sub-section(1) or a revised return under sub-section (2) of Section 7, but has not first paid into a Government Treasury of the whole of the amount of tax or penalty due, or the extra amount due according to such return or, as the case may be, revised return, as required under sub-section (2) or sub-section (3) of Section 10, the assessing authority concerned may by notice in Form III served on him require him to pay the amount due by him according to the return or as the case may be, the revised return, but remaining unpaid, on or before the date specified in the notice.

**6. Assessment of tax,-**

- (1) The notice required by sub-section (3) of Section 8 shall be in Form IV and the date fixed for compliance therewith shall not be earlier than fifteen days from the date of service thereof;
- (2) A notice under Section 9 shall be in Form V and the date fixed for compliance therewith shall not be earlier than fifteen days from the date of service thereof;
- (3) The order of assessment under Section 8 and 9 shall ordinarily be in Form VI;
- (4) An order imposing a penalty under Section 15 in respect of any period may be incorporated in the order of assessment made under sub-rule (3) relating to that period;

- (5) A certified copy of an order of assessment shall be furnished to the assessee free of charge along with the notice in Form III issued in accordance with clause (ii) or (iii) of sub-section (4) of Section 10.

**7 Refunds:-**

- (1) When the assessing authority is satisfied that a refund is due to the importer, he shall record an order showing the amount of refund due and shall communicate the same to the importer;
- (2) When an order for refund has been made under sub-rule(1), the assessing authority shall, if the assessee desires payment in cash, issue to him a refund payment order in Form VII or VIII, as may be relevant;
- (3) If the importer desires payment by adjustment against an amount payable by him under the Ordinance, the assessing authority shall make out a refund adjustment order in Form IX authorizing the said importer to adjust the sum to be refunded against an amount payable by him in respect of the period for which a return is to be furnished under Rule 3 and during which the refund is sanctioned on any subsequent period, or payable under any notice issued to him;
- (4) When the refund adjustment order is furnished with the return submitted under Rule 3, the assessing authority shall cancel his own copy as well as the importer's copy of the refund adjustment order.

- 8. Draw back, set-off, etc., of tax paid by an importer under the General Sales Tax Law in force in any other State or Union Territory,-** In assessing the amount of tax payable in respect of any period by an importer who is not a dealer in motor vehicle (hereafter in this rule referred to as "the claimant importer") there shall be granted a drawback, set-off or refund, as the case may be, of an amount equal to the tax paid by the claimant importer under the law relating the General Sales Tax Act as may be in force in any other State or Union Territory (hereinafter in this rule referred to as "the said tax"):

Provided that no drawback, set-off or refund, as they case may be, under this rule shall be granted unless the claimant importer proves that the said tax has in fact been paid to the competent authority of the State or Union Territory concerned.

**8-A. Procedure for the auction of the impounded vehicle,-**

- (1) When a motor vehicle is impounded under Section 15-A towards non –payment of tax and penalty the competent authority shall immediately issue a notice in Form XII to the importer to pay the tax and penalty within one month from the date of impounding. If the importer fails to pay the tax, penalty and cost, the competent authority shall notify the auction of such vehicle in Form XIII, specifying the place where, and the day and hour at which the impounded motor vehicle will be sold and should cause proclamation of the intended sale to be made by beat of drum in such place or places as the competent authority may consider necessary to give due publicity to the sale. No sale shall take place until after the expiration of the period of fifteen days from the date on which the notice is served.
- (2) At the appointed time the motor vehicle should be disposed of to the highest bidder. Where the Motor Vehicle may sell for more than the amount of tax, penalty the over plus after deducting expenses of process and interest shall be paid to the defaulter.
- (3) It shall be competent to the defaulter or to any person acting on his behalf, or claiming an interest in the Motor Vehicle to tender the full amount of the entry tax with the interest thereon and all charges which have been incurred in demanding the entry tax in taking the steps necessary for sale, and there upon the sale shall be stayed.
- (4) A sum of money equal to 15% of price of the Motor Vehicle shall be deposited by the bidder participating in the auction in the hands of the competent authority before the auction and when the remainder of the purchase money may not be paid immediately after the conclusion of auction, the money so deposited shall be liable to forfeiture.
- (5) The Motor vehicle shall be paid for in ready money at the time of sale or as soon after as the officer holding the sale shall appoint and the purchaser shall not be permitted to carry away any part of the Vehicle until he has paid for the same in full.
- (6) Where the purchaser may fail in the payment of the purchase money, the Motor Vehicle shall be re-sold and the defaulting purchaser shall be liable for any loss arising, as well as the expenses incurred on the resale. Where the motor

vehicle may, on the second sale, sell for a higher price than at the first sale, difference or increase shall be the property of him on whose account the said first sale was made.

### CHAPTER III ACCOUNTS

#### **9. Manner in which accounts shall be kept, -**

- (1) In case of an importer who is a dealer liable to pay tax under the General Sales Tax Act, the particulars of all entries of Motor Vehicles into the local area effected by him shall be entered by him in a separate account, and where the said importer keeps a day book of such entries of motor vehicles it shall form a separate part or section thereof. The purchase value and the amount of tax payable under the Ordinance in respect of each entry of motor vehicles shall be entered in separate columns in the said account and the columns totaled for each quarter for which total purchase value of the importer is determined, for the purpose of paying tax under the Ordinance for which he is required to furnish return under the Ordinance;
- (2) In case of an importer other than the one specified in sub-rule (1), minimum accounts should be kept to indicate the details such as <sup>1</sup>[purchase value, value of accessories, fitted to the vehicle insurance excise duty, countervailing duties, sales tax, transport fee, freight charges and all other charges incidentally levied.]

1. substituted by G.O. Ms.No. 174- Commercial Taxes, dated 8<sup>th</sup> June, 1998.

#### **10. Preservation of books of accounts, register, etc-**

Every importer shall preserve all books of accounts, registers and other documents including bills, invoices, vouchers, agreements and other documents relating to the entry of motor vehicles into the local area effected by him, for a period of not less than ten years from the expiry of the year to which the entry relates.

#### **11. Furnishing of information, inspection of books, accounts, documents, etc-**

- (1) The assessing authority may, by notice in Form X, require an importer to produce before him any accounts or documents or to furnish any information relating to an entry of motor vehicles into the local area effected by him, as may be necessary, for the purposes of the Ordinance;
- (2) All accounts and documents relating to an entry of motor vehicles into local area effected by an importer kept at place of business or place of residence, as the case may be, shall at all reasonable times, be open

to inspection by the assessing authority and the assessing authority may take or cause to be taken such copies or extracts there from as it deems necessary for the purposes of the Ordinance;

- (3) If the assessing authority has reasons to believe that any importer has evaded or is attempting to evade the payment of tax due from him under the Ordinance, he may for reasons to be recorded in writing, seize such accounts, registers, agreements, or documents of the importers as may be necessary and shall grant a receipt for the same and shall retain the same for a period not more than one year in connection with any proceedings under the Ordinance :

Provided that the assessing authority, for the reasons to be recorded in writing, may retain them for any longer period, as may be necessary.

4. For the purposes of sub-rules (2) and (3) , the assessing authority may visit and enter at all reasonable times the place of business or the place of residence, as the case may be, of any importer.

#### CHAPTER IV POWER TO GET INFORMATION

##### **12. Power to get information,-**

1. Any assessing authority or appellate or revisional authority under the Ordinance or any Officer of the , commercial Taxes Department not lower in rank than an Assistant Commercial Tax Officer may in writing require any person or authority to furnish such information, particulars or records available with that person or authority as will be useful or relevant to any processing under the Ordinance.
2. The person or authority from whom such information, particulars or records is or are required under sub-rule (1) shall furnish, within a reasonable time, the information, particulars or records if available.

#### CHAPTER V APPEALS AND REVISION

##### **13. Appeals and Revision,-**

Every appeal under sub-section (1) of Section 13 or second appeal under sub-section (2) of that section or revision under Section 14 shall be in Form XI and shall be accompanied by either the order in original against which it is made or duly authenticated copy thereof.

#### **14. Summary rejection,-**

1. If the memorandum of appeal omits to state of the particulars specified in Form XI as required under Rule 13 or is not accompanied with the order in original against which it is made or a duly authenticated copy thereof the appeal may be summarily rejected:

Provided that no appeal shall be summarily rejected under this sub-rule(1), which the appellate authority is given a reasonable opportunity to amend the memorandum rejected:

2. The appeal may also be summarily rejected, on grounds other than those specified in sub-rule (1), which the appellate authority may consider sufficient and which shall be reduced to writing by the appellate authority:

Provided that before an order summarily rejecting on appeal under this sub-rule is passed, the appellant concerned shall be given a reasonable opportunity of being heard.

3. If within thirty days from the date on which an appeal is summarily rejected under sub-rule(1) or (2), the appellant makes an application to the appellate authority for setting aside the order of summary rejection and satisfies it that the notice under the proviso to sub-rule (1) to amend the memorandum of appeal, or of a hearing under proviso to sub-rule(2) was not duly served on him, or that he was prevented by sufficient cause from amending the memorandum of appeal or from appearing when the appeal was called on for hearing, the said authority shall make an order setting aside the summary rejection and restore the appeal to its file.

#### **15. Hearings,-**

1. If the appellate authority does not summarily reject the appeal, it shall fix a date for hearing. The date so fixed shall not be earlier than ten days from the date on which intimation thereof is given to the appellant or to his agent:

Provided that a date earlier than aforesaid may be fixed for hearing if the appellant or his agent agrees thereto in writing;

2. If on the date and at the time fixed for hearing or on any other date or at any other time to which the hearing may be adjourned, the appellate does not appear before the said authority either in person or through an agent the said authority may dismiss the appeal or may decide it *ex parte* as it may think fit:

Provided that if, within thirty days from the date on which the appeal was dismissed or decided *ex parte* under this sub-rule, the appellant makes an application to the appellate authority for setting aside the orders and satisfies it that the intimation of the date was not duly served on him or that he was prevented by sufficient cause from appearing when the appeal was called on for hearing, the said authority shall make an order setting aside the dismissal or *ex parte* decision upon such terms as it thinks fit, and shall appoint a day for proceeding with the appeal.

**16. Supply of copy of order to the appellant or applicant and to the assessing authority concerned,-**

A copy of the order passed in appeal or revision shall be supplied free of cost to the appellant or the applicant and another copy shall be sent to the assessing authority whose order forms subject of the appeal or revisional proceedings.

CHAPTER VI

**17. Service of orders and notices,-**

Orders and notices under these rules shall be served in the manner provided for in Rule 52 of the Tamil Nadu General Sales Tax Rules, 1959.

