

**OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ODISHA  
CUTTACK**

**No. III (I) 38/09-19980/CT, Dt. 25/ 09 / 2013**

**CIRCULAR**

***Sub: Collection of Entry Tax on new vehicles.***

In terms of provisions of Odisha Entry Tax, 1999, entry tax is leviable on the entry of a motor vehicle into a local area for use or sale therein which is liable for registration in the State of Odisha under the Motor Vehicles Act, 1988. But in most cases, the vehicles purchased from outside the State go undetected due to the fact that at the entry point it is not possible to know which motor vehicle is liable to be registered under the MV Act in Odisha. Further, once a vehicle is registered under the MV Act in Odisha, it is difficult to locate the same and collect entry tax due from the owner of the vehicle.

In order to ensure legitimate collection of entry tax from such vehicles, the Government in Finance Department had requested the Transport Commissioner (a copy of the letter to Commissioner of Commercial Taxes vide memo no. 28470 dated 10.06.05 is enclosed) to issue instructions to all Registering Authorities under his administrative control to insist on submission of proof of payment of entry tax on all vehicles before granting registration certificate under the Odisha Motor Vehicle Act for the interest of Government revenue.

However, since difficulty arose in ensuring the payment of entry tax by the owner of such type of vehicles to the Commercial Tax Department before the registration of vehicles, the Transport Commissioner in his circular vide 22103/CT dated 3.12.05 issued instructions that after registration of the vehicles under MV Act, the Registering Authority shall intimate to the concerned Commercial Tax Officer giving a fortnightly list of vehicles registered, details of the owners and amount of entry tax to be paid to the Commercial Tax Department.

Despite the above instructions, it has been brought to the notice of the undersigned that due entry tax is not collected from the vehicles. Unless there is a sustained co-operation between the Commercial Tax Department and Transport Department, vehicles escape from paying the legitimate entry tax which is detriment to the Government revenue. In view of this, it is now impressed upon all officers in charge of Circles/Assessment Units to take initiative to collect the information relating to registration of vehicles under MV Act and ensure collection of entry tax.

The Registration Authority under MV Act may also see that the deposit of Entry Tax duly paid by the owner to the Commercial Tax Department before the registration of the motor vehicles purchased or brought from outside the State. For determination of the Entry Tax @2% of the purchase value of the vehicle, the amount mentioned in the original invoice or bill together with insurance charges, excise duties countervailing charges, sales tax, value added tax or, as the case may be, transport charges freight charges and all other charges incidental to the purchase of that vehicle shall be taken into consideration. The entry tax can be paid by e-payment either through on line or off line mode. After showing the proof of payment i.e. e-challan to the Registration Authority under MV Act, the said Authority is to verify the e-challan submitted by the person applying for registration of the vehicle with the details available in the treasury system to ensure the deposit of Entry Tax duly paid by the owner of the vehicle to the Commercial Tax Department before granting registration to the vehicle.

**Sd/-**  
**(Manoj Ahuja, I.A.S)**  
**Commissioner of Commercial Taxes,**  
**Odisha, Cuttack**

**Memo No. 19981/CT., Dated 25/09/2013**

Copy forwarded to the all officers of H.O for information and necessary action.

**Sd/-**

**Deputy Commissioner Commercial Taxes  
(VAT)**

**Memo No. 19982/CT., Dated 25/09/2013**

Copy forwarded to the Transport Commissioner, Odisha , Cuttack with a request to issue instructions to his field offices to ensure collection of entry tax before registering the vehicle.

**Sd/-**

**Deputy Commissioner Commercial Taxes  
(VAT)**

**Memo No. 19983/CT., Dated 25/09/2013**

Copy forwarded to the Spl. C.C.T. (Enf.) / All Additional Commissioners (H.O)/ Additional Commissioner (Vigilance) / JCCT s of all the Territorial Ranges /DCCTs in charge of all the Enforcement Ranges/ Vig. Division/All DCCTs/ ACCTs/ CTOs in charge of Circles / Check gates/ Assessment Units / CTOs in charge of Investigation Units / all officers of H.O for information and necessary action.

**Sd/-**

**Deputy Commissioner Commercial Taxes  
(VAT)**

**Memo No. 19984/CT., Dated 25/09/2013**

Copy forwarded to the DCCT (IT) / system analyst for information they are requested to take necessary steps for placing this circular in the CTD web-site for general information.

**Sd/-**

**Deputy Commissioner Commercial Taxes  
(VAT)**