courtkutchehry.com

Company : CourtKutchehry
Website : www.courtkutchehry.com
Printed For :
Date : 14/09/2026

(1990) 03 RAJ CK 0020

In the Rajasthan High Court

Case No : Civil Writ Petition No. 7/88

Union of India (UOI) APPELLANT

Vs

State of Rajasthan RESPONDENT

Date of Decision : 29-03-1990

Acts Referred:

Constitution of India, 1950 — Article 285
Rajasthan Motor Vehicles Taxation Act, 1951 — Section 4

Citation : AIR 1991 Raj 96 : (1990) 1 RLW 195 : (1990) 1 WLN 368

Hon'ble Judges : M.C. Jain, Acting C.J.;R.S. Verma, J

Bench : Division Bench

Advocate : K.N. Joshi, for the Appellant; S.S. Bhandawat,A.G.A., for the Respondent

Final Decision : Allowed

Judgement

1. By this writ petition the petitioner seeks to quash the notices and orders Anx. 1, Anx. 2, Anx. 3 and Anx. 4 whereby demand in respect of motor vehicles tax was raised against the petitioner and in respect of one of the vehicles of the petitioner bearing registration No. RSN 8024 a sum of Rupees 31,715 / - was paid. The petitioner claims that the said amount be refunded alongwith interest thereon and it is also prayed that the non-petitioner be restrained from realising any tax for the petitioners'' vehicles. The petitioner''s case is that the petitioner Union of India and its Northern Railway own the vehicles for its use. This property belongs to Union of India and is exempted from all state taxes under Article 285 of the Constitution and the State has no authority to levy and realise any tax on the property of Union of India. Article 285 of the Constitution reads as under:--

"285(1) The property of the Union shall, save in so far as Parliament may by law otherwise provide, be exempt from all taxes imposed by a State or by any authority within a State.

(2) Nothing in Clause (1) shall, until Parliament by law otherwise provides,

prevent any authority within a State from leying any tax on any property of the Union to which such property was immediately before the commencement of this Constitution, liable or treated as liable, so long as that tax continues to be levied in that State."

2. Clause (1) of Article 285 clearly envisages that the property belonging to the Union of India shall be exempt from all taxes imposed by a State or by any authority within the State, This provision is specifically clear and no tax can be imposed on the property of Union as all properties are exempted from state taxes. The only situation in which the union can be taxed is when the Parliament by law otherwise provides. Admittedly there is no law by Parliament which provide otherwise. Clause (2) of Article 285 is not at all attracted and this is not the case of the state that tax was imposed on property in question before the commencement of the Constitution. Thus there is a clear bar of imposition of tax on the property of Union under Clause (1) of Article 285. Reference in this connection may be made to Union of India (UOI) Vs. City Municipal Council, Bellary, In this case after analysing the provisions of Article 285 Clause (1) and Clause (2) it has been held that the general bar of Clause (1) of Article 285 applied and the property in question was exempted from all taxes levied by the Bellary Municipal Council. Thus this writ petition deserves to be allowed.

3. Accordingly, the writ petition is allowed, Anexs. 1 to 4 are quashed and the respondents are restrained from imposing any tax under the Motor Vehicles Taxation Act in relation to vehicles of the petitioner. It is further ordered that the non-petitioner shall refund the amount of Rs. 31715/- together with interest thereon at the rate of 12 per cent per annum from the date of deposit till realisation.

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/union-of-india-uoi-appellant-hash-…