

INFRASTRUCTURE CESS (Notification No. 1/2016 dated 01.03.2016)

Clause 159 of the Finance Bill 2016 introduces Infrastructure Cess and made effective from 01.03.2016 under provisional collection of taxes Act, 1961.

Sl. No.	Heading	Description of excisable goods	Rate Duty of Excise as infrastructure Cess	Condition No.
1	8703	Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles	Nil	-
2	8703	Motor vehicles (other than three wheeled motor vehicles for transport of upto seven persons), which after clearance has been registered for use solely as ambulance	Nil	1
3	8703	Motor vehicles (other than three wheeled motor vehicles), which after clearance has been registered for use	Nil	1

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		solely as taxi		
4	8703	Electrically operated vehicles, including three wheeled electric motor vehicles Explanation. - For the purpose of this entry, “electrically operated vehicles” mean vehicles which are run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicles and shall include electric motor-assisted cycle rickshaws driven by rechargeable solar batteries, also known as “soleckshaw”	Nil	-
5	8703	Hybrid motor vehicles Explanation. - For the purpose of this entry, “hybrid motor vehicle” means a motor vehicle, which uses a combination of battery powered electric motor and an internal combustion engine to power the vehicle to drive trains, but does not include such micro-hybrid motor vehicle with start and stop technology, using battery powered electric motor only while in static condition	Nil	-
6	8703	Three wheeled vehicles	Nil	-
7	8703	Cars for physically handicapped persons	Nil	2
8	8703	Hydrogen vehicles based on fuel cell	Nil	-

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		<p>technology</p> <p>Explanation.- For the purpose of this entry, "Hydrogen vehicle" means a motor vehicle that converts the chemical energy of hydrogen to mechanical energy by reacting hydrogen with oxygen in a fuel cell to run electric motor to power the vehicle drive trains</p>		
9	8703	<p>Motor vehicles of length not exceeding 4000 mm, namely petrol, liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven vehicles of engine capacity not exceeding 1200 cc</p> <p>Explanation.- For the purpose of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under</p>	1%	-
10	8703	<p>Motor vehicles of length not exceeding 4000 mm, namely diesel driven vehicles of engine capacity not exceeding 1500 cc</p> <p>Explanation.- For the purpose of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under</p>	2.5%	-
11	8703	Other than above	4%	

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Clean Energy Cess

Notification No.1/2016 and 2/2016 dated 01.03.2016 (Effective from 01st March 2016)

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- Notification No.1/2015 dt. 01st March 2015 rescinded which was exempting the cess as is in excess of the amount calculated at the rate of Rs. 200 per tonne
- Clean energy cess is exempted for the goods produced or extracted as per traditional and customary rights enjoyed by local Tribals in the State of Meghalaya and State of Nagaland

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