

Vehicle fully damaged? Get life tax refund

TIMES NEWS NETWORK

Bangalore: It is a common practice to submit registration certificate (RC) book to the insurance company and claim money when a vehicle damaged in an accident is beyond repair and needs to hit the junkyard.

However, motorists often forget that they can claim the remaining life tax paid for the vehicle from the transport department. Life tax on a vehicle is assessed on the presumption that a vehicle's life span is 15 years. If a vehicle is damaged completely in an accident, then owners can claim refund of life tax for the number of years remaining from the 15-year timeframe, after deducting tax for the number of years it was in use on the road.

In a recent judgment, the Karnataka Consumer Disputes Redressal Forum fined National Insurance Company to the tune of Rs 10,000 and directed it to settle the complainant's insurance amount of Rs 4.55 lakh with 12% interest.

The incident dates back to June 2008 when the car belonging to A M Srinivas of Yashila Healthcare Devices met with an accident. After assessing the damage to over Rs 4.55 lakh, the insurance company asked him to surrender the RC book as they wanted to sell the damaged vehicle as salvage. However, Srinivas refused to surrender the RC, saying the insurance company was free to sell the salvage, but he would be cancelling the RC and getting a refund of the tax. The company refused to settle the insurance and Srinivas approached the Consumer Forum, which ruled in his favour.

YES, IT CAN BE DONE

Transport commissioner Bhaskar Rao confirmed that the department has a provision to refund part of the life tax when vehicles are damaged beyond repair. "Very few people claim this facility. We don't have statistics of vehicles that get damaged beyond repair as they're maintained at RTO levels," he said.

