

5. Tamil Nadu Electric Vehicle Policy, 2019

Prelims: Governance- Policies

Mains: GS-II- Government Policies and Interventions for development in various sectors and Issues Arising out of their Design and Implementation.

Why in News?

- ▶ In an attempt to give a boost to the manufacture and use of electric vehicles in the State, Chief Minister released the Tamil Nadu Electric Vehicle Policy, 2019, which provided for various concessions to manufacturers and users of e-vehicles.

Key features of the Policy:

- ▶ The policy called for 100% road tax exemption till December 30, 2022, besides a waiver of registration charges for electric two-wheelers. These sops are expected to push up sales of electric vehicles.
- ▶ The policy stated that the registration fees would be waived as per Government of India's notification while road tax exemption would be enhanced from 50% to 100% till December 2022.

Special Package:

- ▶ The manufacture of electric vehicles, their components, particularly EV batteries, and manufacture of charging infrastructure would be provided a special package of incentives.
- ▶ Special packages were announced for units engaged in e-vehicle manufacture that made investments over ₹50 crore and employed at least 50 persons.
- ▶ Full reimbursement would be provided for SGST paid on the sale of EVs manufactured, sold and registered for use in the State till 2030.
- ▶ In the case of intermediate products where SGST reimbursement was not applicable, a capital subsidy of 15% would be given on eligible investments over 10 years. As for transport vehicles such as taxis and tourist cars, permit fees would be waived for electric transport vehicles till December 2022 and they would be granted 100% road tax exemption for the same period.
- ▶ The capital subsidy for e-vehicle manufacturers would be payable on eligible investments made in the State till December 2025.
- ▶ The cost of land shall not exceed 20% of the total eligible investments reckoned for the purpose of capital subsidy.

- ▶▶ The State government has attempted to put southern districts also on the investment map. The new electric policy offers to provide investors a 50 per cent subsidy on the land cost if the investment is made to obtain land from government agencies in southern districts, while in other districts it is just 15 per cent.

Going electric

The Tamil Nadu Electric Vehicle Policy, 2019, provides for various concessions to manufacturers of e-vehicles

- EV-related and charging infrastructure manufacturing units will be provided 100% exemption on electricity tax till December 2025
- Units that obtain land by sale or lease shall be entitled to 100% exemption on stamp duty for transactions till December 2022
- Units that obtain land from SIPCOT, SIDCO or other governmental agencies will be provided a 15% subsidy on the cost, and will be provided 50% subsidy if the investment is in the southern districts
- Units will be provided an employment incentive in the form of the reimbursement of employer's contribution to EPFO for all new jobs created till December 2025
- The government will provide a higher capital subsidy of 20% of the eligible investment over 20 years in cases where units are engaged in making EV batteries
- Amendment to building and construction laws will be effected to ensure that charging infrastructure is integrated at the planning stage itself for all new constructions and apartments in cities

Separate plates:

- ▶▶ In order to distinguish electric vehicles from others, registration number shall be exhibited in yellow colour on a green background for transport vehicles and in white on a green background for all other EVs.