



No Registration Tax on Hybrid Cars

Why in News?

Recently, The Uttar Pradesh government has decided to **waive the registration tax on [strong hybrid cars](#)**. This decision is a significant **boost for [green vehicles](#)**.

Key Points

- This move will mainly benefit car manufacturers such as **Maruti Suzuki, Toyota Kirloskar Motor, and Honda Cars India**. Customers can save up to Rs 3.5 lakh.
- Uttar Pradesh imposes **8% road tax on vehicles under Rs 10 lakh and 10% tax on vehicles over Rs 10 lakh (ex-showroom)**.
 - The road tax waiver is not expected to greatly affect state revenue because of low hybrid vehicle sales.
- **Hybrid vehicle sales are gaining traction** due to factors such as **ease of ownership**, not needing dedicated charging infrastructure like [Electric Vehicles \(EVs\)](#), **better mileage** than petrol cars, and **lower acquisition costs**.
 - In 2023, The state announced a **three-year tax and registration fee exemption for purchasing EVs**, with a five-year exemption for EVs manufactured within the state.

Hybrid Vehicles

- Hybrid vehicles combine a **traditional [Internal Combustion Engine \(ICE\)](#) with an Electric Propulsion system**, allowing the vehicle to operate using either or both power sources.
- There are different types of hybrid systems, but the most common ones include **parallel hybrids** (both the engine and electric motor can power the vehicle independently) and **series hybrids** (only the electric motor drives the wheels, while the engine generates electricity).

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