

This study describes the Taxation & Tax structure in Pakistan and impact of independent variable on the dependent variable. It examined the effect of :

- Imposition of luxury tax on imported vehicles
- Sales of locally manufactured vehicles
- Import of foreign manufactured vehicles and
- Post registration transactions

(On the collection of motor vehicle tax in Punjab Province)

This is a descriptive and exploratory research as this study is based on secondary data and gathered from the Punjab Annual Budget documents and the reports of Excise and Taxation Department. The results, obtained from the analysis, are showing significant relation among the sales of motor vehicles, post registration transaction and collection of motor vehicle tax. It is further extracted that the said relation has also affected on the imposition of another tax i.e. luxury tax on imported vehicles.

This study concluded that the tax is a subject of federation and its compliance cannot be possible without its imposition throughout the federation as the motor vehicle is a mobile asset so the tax payer can easily drained to other provinces. It is further concluded while imposing any new tax the basic cannons / principles / ethics of taxation and 4-R's [Revenue, Reprising, Re-distribution and Representation] should be observed so the compliance is possible. Mostly the basic aim of imposition of taxation is to generate or gear up the revenue so it should be imposed where a large base or big potential is available