
NOISE POLLUTION AND ENVIRONMENTAL FISCAL MEASURES: AN ANALYSIS OF VEHICLE-RELATED PENALTIES, COLLECTION AND UTILISATION IN TAMIL NADU

Surya Priya P, LL.M., Taxation Law, School of Law, Joy University

ABSTRACT

Noise pollution has become an important environmental issue in fast urbanizing areas, especially where the rise in motorization has driven an increase in traffic noise. The problem of vehicular noise in Tamil Nadu is caused by horn abuse, use of various types of horns, poor silencing capacity of the vehicles, modified exhausts, and other forms of illegal noise from the vehicles. The Indian environment law regulates this kind of behavior through the Noise Pollution (Regulation and Control) Rules, 2000, the Environment (Protection) Act, 1986, the Motor Vehicles Act, 1988, the Central Motor Vehicles Rules, 1989, and Tamil Nadu Motor Vehicles Rules, 1989. In Tamil Nadu, a Green Tax is also levied on certain older motor vehicles as per Yam Nadu Motor Vehicles Taxation Act, 1974. This paper investigates the current legal and financial systems of the vehicle noise-related regulation and assesses whether they can really qualify as environmental fiscal measures or whether they operate mainly as regulatory mechanisms. Moreover, it looks at the risk of creating some sort of an environmental payment system connected to vehicle-related laws, which will be of importance to the tackling of noise pollution in Tamil Nadu.

It seems that the present system is branched, as legal regulations entail financial consequences for the use of vehicles that pollute or act out of compliance, but there is a lack of clarity and designation connecting those revenues with the prevention of noise pollution. A doctrinal and policy-oriented approach has been taken along with the use of previously published scholarly articles, legislation, court rulings, and regulatory documents. The writer proposes establishing a special fund for the purpose of vehicle noise preservation, introducing online monitoring of fines, differentiating the charge based on the extent and timing of the violations, and creating stronger measures against altered horns and mufflers. This paper explores the possibility of improving the existing fiscal scheme of Tamil Nadu as well as its working legal system in such a way as to contribute positively to the current environmental and sustainable initiatives.

Keywords: Noise Pollution, Environmental Fiscal Measures, Vehicle Noise, Green Tax, Vehicle Penalties, Tamil Nadu, Environmental Fund, Polluter Pays Principle.

1. INTRODUCTION

Noise pollution is a serious and important issue in urban areas. With the rapid growth of urbanization, an increase in vehicle ownership, heavy traffic and changes made in vehicles, unwanted noise created by traffic has now become an integral part of urban communities. Noise is different from poisons as it can only be noticed through scientific measurements while people perceive it while living, working and travelling in urban areas. This “extra” noise can disturb sleep, communication, focus and well-being of people. Courts recognize noise pollution as a critical issue affecting the peace of life of residents and their health¹.

Noise from vehicles is very important because cars are sources of mobile pollution. Excessive use of horns, especially those that are too loud, that are too noisy by design or don't work properly can generate noise beyond the allowed limits. Noise pollution is a problem for Tamil Nadu where rapid urbanization and improvement in means of transport creates problems with controlling the sources of noise. This paper, however, is not simply concerned with the question of whether noisy vehicles are banned. The issue that stands before us is that of the financial dimension of environmental regulation. When one is fined for violating noise-related vehicle regulations, how is the amount billed? In what way is it credited? Can it be distinguished at all? Is it put to work for environmental protection? Is the principle of Polluter Pays Principle followed in this context?

These questions gain importance as Tamil Nadu in fact already has an environmental tax for motor vehicles, thus raising the question whether noise pollution also falls within the environmental taxation framework of the State.

2. MEANING AND NATURE OF NOISE POLLUTION

Noise can be viewed as any kind of disruptive, excessive or unwanted sound. It can have different effects on the environment depending on its intensity, duration, frequency, time and place of occurrence.

The Noise Pollution (Regulation and Control) Rules, 2000 create certain standards of permissible noise for various zones².

¹ *Church of God (Full Gospel) in India v. K.K.R. Majestic Colony Welfare Association*, (2000) 7 SCC 282.

² Noise Pollution (Regulation and Control) Rules, 2000, r. 3 and Schedule.

Zone/Area	Daytime	Nighttime
Industrial	75 dB(A)	70 dB(A)
Commercial	65 dB(A)	55 dB(A)
Residential	55 dB(A)	45 dB(A)
Silence Zone	50 dB(A)	40 dB(A)

Daytime is considered to be from 6.00am to 10.00pm and nighttime occurs from 10.00 pm to 6.00 am as explained in the Rules³.

Thus, the noise levels are not measured only by the presence of a sound. In assessing whether a sound is legal or illegal, its permissible level and place of occurrence play a significant role. This is especially important in relation to sounds caused by transport vehicles because a vehicle operating near a hospital or a school may cause more damage than this vehicle operating in an industrial place.

3. SOURCES AND CAUSES OF VEHICLE-RELATED NOISE

The major sources of vehicle-related noise include excessive use of horns, pressure horns, multi-toned horns, defective silencers, modified exhaust systems, poorly maintained vehicles and heavy traffic.

Rule 119 of the Central Motor Vehicles Rules, 1989 regulates horns and prohibits devices producing an unduly harsh, shrill, loud or alarming noise⁴. Rule 120 requires motor vehicles to be fitted with silencers and requires vehicles to conform to prescribed noise standards⁵.

The problem is therefore partly created by unlawful modification of vehicles and partly by the cumulative effect of traffic. The Supreme Court's decision in *Church of God (Full Gospel) in India v. K.K.R. Majestic Colony Welfare Association* is significant because the noise survey in that Chennai dispute indicated that vehicular movement was an important source of noise⁶.

The major sources can be grouped into:

³ Ibid., Schedule.

⁴ Central Motor Vehicles Rules, 1989, r. 119.

⁵ Central Motor Vehicles Rules, 1989, r. 120.

⁶] *Church of God (Full Gospel) in India v. K.K.R. Majestic Colony Welfare Association*, (2000) 7 SCC 282

1. excessive and unnecessary honking;
2. pressure and multi-toned horns;
3. removal or modification of silencers;
4. modified exhaust systems;
5. poorly maintained vehicles;
6. heavy traffic and congestion; and
7. vehicle movement during sensitive night hours.

The taxation implications are particularly relevant where the harmful activity can be linked to a particular vehicle.

4. LEGAL FRAMEWORK

4.1 Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 is a piece of legislation that governs the creation of the Noise Pollution Rules. It grants the Central Government ample powers to promote such implementations that will keep the environment safe and HEAT⁷.

4.2 Noise Pollution (Regulation and Control) Rules, 2000

The Noise Rules more or less provide ambient standards and regulate the operations responsible for the noise. Rule 3 in combination with the Schedule outlines the allowable limits. The implementation of Rule 4 is accountable for the enforcement of this rule. Rule 5 sets the restrictions on the use of loudspeakers and public address systems, while the Rule 5A imposes certain restrictions on the sound-generating equipment like horns⁸.

Rule 7 lays out the mechanism for complaint in case the noise exceeds the limit prescribed by

⁷ Environment (Protection) Act, 1986, ss. 3, 6 and 25.

⁸ Noise Pollution (Regulation and Control) Rules, 2000, rr. 3–5A.

the concerned authorities⁹.

The Rules emphasize the fact that noise is seen as an environmental issue and not as a personal nuisance.

4.3 The Motor Vehicles Act, 1988

Section 190(2) implies on to vehicles driven or allowed to be driven in Violation of the specified norms relating to road safety and air and noise pollution¹⁰.

What is pertinent for the purposes of this study is that the payment projected under this provision is in the nature of a penalty and not a tax. It is a legal measure intended for enforcement and deterrence.

4.4 Central Motor Vehicles Rules, 1989

Rules 119 and 120 directly relate to regulation of noise emanating from the vehicle. Rule 119 talks about horns and Rule 120 lays down norms relating to use of silencers¹¹.

These rules provide the technical basis for the enforcement of noise emanating from a vehicle.

4.5 Tamil Nadu Motor Vehicles Rules, 1989

The Tamil Nadu Rules supplement the Central Rules. According to Rule 403, powers have been provided in regard to control of the use of horns in particular places and situations.

4.6 Tamil Nadu Motor Vehicles Taxation Act, 1974

The aspect of taxation gains a lot of significance with Section 3-A being in force. It allows for imposition of a new tax designated as “Green Tax” in relation to some vehicles for the purpose of air pollution control¹². Such wording raises a strong limitation for the given research work. Green Tax is an environmental tax, however it cannot be called a particular noise tax.

⁹ Noise Pollution (Regulation and Control) Rules, 2000, rr. 7

¹⁰ Motor Vehicles Act, 1988, s. 190(2).

¹¹ Central Motor Vehicles Rules, 1989, rr. 119–120.

¹² Tamil Nadu Motor Vehicles Taxation Act, 1974, s. 3-A.

5. FINE, TAX AND ENVIRONMENTAL COMPENSATION: THE LEGAL DISTINCTION

One of the crucial aspects in environmental taxation concerns the differentiation of various types of financial instruments.

Tax is a mandatory payment imposed by the government in compliance with legislative enactments and for the purposes of supporting governmental function. Penalty is imposed in case of violation of law, and it serves the purpose of punishment and deterrence. An amount you pay as an environmental compensation is aimed at making the violator incur the costs associated with the pollutions, remediation and environmental consequences.

In this context, the table below presents the types of instruments that can be used in the case of environmental tax:

Instrument	Principal character	Vehicle example
Green Tax	Environmental tax	Tax as per TN Motor Vehicles Taxation Act
Penalty	Punitive/deterrent	Violation of Motor Vehicles Act
Environmental Compensation	Environmental liability/restoration	Compensation for hazardous effects
Fee	Regulatory/service payment	Certain transport services

This clarification is very significant. One of the biggest mistakes is to consider any amount paid by the environmental law violator as an environmental tax without doing the necessary differentiation.

6. GREEN TAX IN ADDRESSING VEHICLE-RELATED POLLUTION

The case of the Green Tax that has been implemented in Tamil Nadu encompasses an interesting example of environmental tax in the sphere of motoring. According to Section 3A of Tamil Nadu Motor Vehicle Taxation Act, 1974, which was amended in 2003, every vehicle

covered by specific laws must pay a surcharge on taxes for purposes of pollution control¹³.

Nevertheless, it should be kept in mind that Green Tax is not the same thing as a vehicle noise tax. The framework of the law relates primarily to the vehicle's age and air pollution, while the level of noise pollution is determined by other noises made by the type of horn or exhaust, the level of the noise, and the conditions of environment and time of operations. Active vehicles of old age may be very quiet while modern ones with modified exhausts or horns can be rather noisy.

Thus, it can be argued that Green Tax cannot be used as a noise control tax. However, introduction of a noise-related fiscal measure can take into account such parameters as the noise level of the vehicle as well as the type of vehicle, place of operation, time of operation, and repetition of violation. The main aim is to reduce high noise and address environmental issues than focusing on revenue generation¹⁴.

7. TRACEABILITY OF VEHICLE-RELATED REVENUE

The revenue report from Tamil Nadu's Transport Department for the fiscal year 2023-24 shows that approximately ₹69.14 crores have been collected under the Green Tax, while a total of ₹312.62 crore has been collected under Compounding and Penal Fees¹⁵. These amounts have been collected using the motor vehicle regulation system, thus contributing to government revenue.

The report, however, does not specify how much of these amounts have been collected for noise violation cases such as pressure horns, multi-toned horns, or illegal silencers. Based on the report, it cannot be determined if a part of these collections has been allocated for noise pollution control.

The above indicates the magnitude of RV revenue collection but does not specify how noise-related offenses were addressed or the impact on noise pollution. Consequently, the issue arises of making noise-related revenue generation traceable through the following: Violation of vehicle noise revenue collection allocation of revenue to the relevant noise-control measures

¹³ Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 2003 (Tamil Nadu Act 13 of 2003).

¹⁴ OECD, *Tax Policy Reforms 2024: Environmentally Related Taxes*, OECD Publishing, Paris (2024)

¹⁵ Government of Tamil Nadu, Transport Department, *Reconciled Revenue During the Year 2023–24*, Head of Account 0041

spending on noise management. The absence of this traceability makes it difficult to ascertain if vehicle revenue measures have any impact on noise pollution control.

8. POLLUTER PAYS PRINCIPLE

The Polluter Pays Principle forms the crux of Indian environmental law. The Indian Supreme Court in the case of *Vellore Citizens' Welfare Forum v. Union of India* acknowledged both the Polluter Pays Principle and Precautionary Principle as quintessential components of sustainable development¹⁶.

The principle implies that the polluter is liable to pay for all costs incurred while averting and cleaning up the environmental damage.

In the situation of vehicle noise, the principle twofold works:

The first way is that financial sanctions prevent illegal behavior. Since putting a prohibited pressure horn on one's vehicle is illegal and may entail some sanctions.

The second way is that the environment compensation would provide finances for contamination elimination.

This second way is particularly significant for this paper. In case one pays for causing noise pollution, enhancement of the environmental aim could be achieved if part of the environmental transfer is spent on noise prevention measures.

Thus, the optimal scheme looks like:

Polluter → pays → environmental fund → environmental protection.

It is not necessary that every statutory punishment should end up in the precise place of violation. Public expenditure is permissible to be met from the general public's revenue. Nevertheless, in case a government expressly identifies a payment as an environmental fiscal instrument, the need for transparency about its environmental purpose increases significantly.

¹⁶ *Vellore Citizens' Welfare Forum v. Union of India*, (1996) 5 SCC 647

9. SUSTAINABLE DEVELOPMENT

Sustainable development makes balances between economic growth and environmental protection. This principle has been applied and explained by the Supreme Court in various forms of environmental cases¹⁷.

Transportation is most important factors for the economy, jobs and mobility. Thus, it is neither feasible nor desirable to do away with transport, but it is necessary to reduce its impact on the environment.

Noise should be among considerations in planning urban transport systems.

Hence, a green transport system should include:

- vehicle regulations,
- making emissions have limits and standards,
- making noise pollution level have limits,
- enforcement mechanisms,
- environmental taxes,
- public transport,
- town planning,
- systematic environmental monitoring.

The environmental taxes can only facilitate sustainable development if they lead to behavioral changes or fund environmental activities. Otherwise, if environmental taxes exist solely for the purpose of raising money, the environmental rationale weakens significantly.

10. DIGITAL TRACKING AND TRANSPARENCY

The growth of digital traffic law enforcement gives an opportunity to enhance the current system.

¹⁷ Ibid.

Thus, eChallan adds a new online system of registering traffic and transport violations and payment for them. This structure could be used for fixing environmental offences separately too¹⁸.

A digital challan regarding noise could comprise:

1. Vehicle number plate;
2. Date and time;
3. Location;
4. Nature of violation;
5. Law or regulation concerning the offence;
6. Noise level, if applicable;
7. Penalty;
8. Environmental compensation;
9. Payment status;
10. Destination/account of the payment.

Then, the system could produce annual accounts of the following data:

The number of noise violations → the amount of the penalty assessed → the amount of the penalty collected → the amount of money transferred to the environmental fund → the amount of money spent on noise violation control.

It would thus resolve one of the major problems raised in the article.

This means that technology should be used not only for assessing penalties but also for tracking the whole financial and environmental cycle of the penalty.

¹⁸ Ministry of Road Transport and Highways, Government of India, *e-Challan: Digital Traffic/Transport Enforcement Solution*, available at <https://echallan.parivahan.gov.in>

11. SUGGESTIONS

11.1 Expand Green Tax

Section 3-A can be amended to specify that air pollution, noise pollution, and other kinds of environmental pollution caused by vehicles will fall under the Green Tax¹⁹. The state government can advise how the tax will apply to various categories of vehicles.

11.2 Institute Tamil Nadu Vehicle Noise Environmental Fund

There should be a separate fund reserved exclusively for the environmental penalties for vehicle noise. This fund can be utilized for noise investigation, purchasing noise monitoring devices, district noise mapping, and following legal actions against noise.

11.3 Implement Annual Environmental Revenue Reports

The government should issue annual reports that will include the following information:

- the amount of Green Tax collected,
- the amount of noise penalties collected,
- the amount of environmental compensation collected,
- the amounts allocated,
- the amount spent,
- the projects funded.

This will increase transparency and make it easier to identify the connection between the environmental revenues and expenditures.

11.4 Digitally tag noise violations

Every violation of noise regulations should be documented differently. This implies that the violations related to noise will be earmarked separately from the other fines given out for traffic

¹⁹ Tamil Nadu Motor Vehicles Taxation Act, 1974, s. 3-A.

violations.

11.5 Differentiate Financial Consequences

Noise violations should be considered with the circumstances of the violation in mind – severity in degree of the violation, time of occurrence, location, frequency and type of noise-producing equipment that was responsible for the violation.

11.6 Strengthen Action Against Modified Horns and Silencers

The vehicle check-ups should focus on inspecting pressure horns, musical horns and illegal/expertly modified exhausts. Persistence in violating the noise violations should lead to stricter enforcement.

11.7 Noise Mapping

A system of identifying and keeping track of the noise pollution “hot spots” in the vicinity of hospitals, schools, courts, residential areas, traffic junctions should be set up.

11.8 Establish a Public Environmental Dashboard

A public electronic dashboard should be implemented by the state:

Collected → Allocated → Used → Environmental Effect

This will enhance the accountability of the public and provide guidance on whether drivers pay for the protection of the surrounding environment.

12. CONCLUSION

Tamil Nadu has a comprehensive law-making system aimed at curbing noise pollution associated with vehicles like the Noise Pollution Rules, the Motor Vehicles Act, the Central Motor Vehicles Rules, and the Tamil Nadu Motor Vehicles Rules. For instance, there are some fines in place while the Green Tax is an example of environmental taxation in the sphere of motor vehicle operations. However, despite the apparent similarity between these tools, they have different uses.

The aforementioned issue in the paper is not related to the unavailability of financial means. The issue is rather related to the lack of transparency in linking the money collection and environment expenditure information. Although the government revenue reports indicate sizeable payments in terms of Green Tax and fine collection, no separate analysis is offered about the money paid for vehicle noise pollution.

The implementation of the Polluter Pays Principle would enable strengthening of this framework. The State should implement measures like a Vehicle Noise Environmental Fund, digital tagging of noise-related fines, differentiated financial ramifications, noise mapping, enhanced action against after-market horns and silencing devices, and annual reporting on environmental revenues and expenditures.

Noise pollution should become a key component of the motor vehicle environmental taxation framework. The existing provisions of the Green Tax are aimed at tackling air pollution; therefore, any fiscal measure aimed at addressing vehicle noise should be based on an established piece of legislation rather than treating Green Tax as a noise tax.

The purpose should not be limited to collecting money from violators; it should be aimed at making the actors accountable for the environmental impact of vehicle noise and being open about how the money is spent to mitigate environmental harm.

REFERENCES

1. *Church of God (Full Gospel) in India v. K.K.R. Majestic Colony Welfare Association*, (2000) 7 SCC 282.
2. Noise Pollution (Regulation and Control) Rules, 2000, r. 3 read with the Schedule.
3. *Ibid.*, Schedule.
4. Central Motor Vehicles Rules, 1989, r. 119.
5. *Ibid.*, r. 120.
6. *Church of God (Full Gospel) in India v. K.K.R. Majestic Colony Welfare Association*, (2000) 7 SCC 282.
7. Environment (Protection) Act, 1986, ss. 3, 6 and 25.
8. Noise Pollution (Regulation and Control) Rules, 2000, rr. 3–5A.
9. *Ibid.*, r. 7.
10. Motor Vehicles Act, 1988, s. 190(2).
11. Central Motor Vehicles Rules, 1989, rr. 119–120.
12. Tamil Nadu Motor Vehicles Taxation Act, 1974, s. 3-A.
13. Tamil Nadu Motor Vehicles Taxation (Amendment) Act, 2003 (Tamil Nadu Act 13 of 2003).
14. Organisation for Economic Co-operation and Development (OECD), *Environmental Tax Policy Review* and related literature on environmental fiscal reform.
15. Government of Tamil Nadu, Transport Department, *Reconciled Revenue During the Year 2023–24*, Head of Account 0041.
16. *Vellore Citizens' Welfare Forum v. Union of India*, (1996) 5 SCC 647.
17. *Ibid.*
18. Ministry of Road Transport and Highways, Government of India, *eChallan: Digital Traffic/Transport Enforcement Solution*. <https://echallan.parivahan.gov.in>
19. Tamil Nadu Motor Vehicles Taxation Act, 1974, s. 3-A.