

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

**LOK SABHA**

**UNSTARRED QUESTION NO. 5922**

TO BE ANSWERED ON MONDAY, MARCH 30, 2026/CHAITRA 09, 1948 (SAKA)

**FISCAL IMPACT OF TAX EXEMPTION FOR ROAD ACCIDENT COMPENSATION**

**5922. SHRI RAJMOHAN UNNITHAN:**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government has evaluated the fiscal impact of tax exemptions provided for road accident compensation; and
- (b) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): - The exemption to the interest income under the Motor Vehicles Act, 1988 to an individual or his legal heir has been proposed by the Finance Bill, 2026. After exemption becomes law, the fiscal impact of the exemption may be evaluated.

(b):- Does not arise in view of the above.

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