

OVERVIEW

This report contains 13 paragraphs including two reviews relating to non/short levy of tax, penalty, interest etc. involving Rs. 109.07 crore. Some of the major findings are mentioned below:

I. General

- The total receipts of the Government of Uttar Pradesh for the year 2008-09 were Rs. 77,830.73 crore against Rs. 68,672.47 crore during 2007-08. The revenue raised by the State Government amounted to Rs. 35,425.52 crore comprising tax revenue of Rs. 28,658.97 crore and non-tax revenue of Rs. 6,766.55 crore. The receipts from the Government of India were Rs. 42,405.21 crore (State's share of divisible Union taxes: Rs. 30,905.72 crore and grants-in-aid: Rs. 11,499.49 crore). Thus, the State Government could raise only 46 *per cent* of the total revenue. Taxes on sales, trade etc. (Rs. 17,482.05 crore) and miscellaneous general services (Rs. 1,698.79 crore) were the major source of tax and non-tax revenue respectively during the year 2008-09.

(Paragraph 1.1)

- As on 31 March 2009 arrears of revenue under principal heads of revenue as reported by concerned departments were Rs. 15,731.74 crore.

(Paragraph 1.5)

- Inspection reports numbering 8,547 issued upto 31 December 2008 containing 20,222 audit observations with money value of Rs. 4,559.97 crore had not been settled upto June 2009.

(Paragraph 1.6)

- Test check of the records of commercial tax, taxes on vehicles, goods and passengers, stamp duty and registration fees, public works, finance departments, forest and entertainment tax etc., conducted during the year 2008-09 revealed under assessments/short levy/loss of revenue amounting to Rs. 1,156.87 crore in 3,272 cases. During the year 2008-09, the concerned departments accepted under assessments and other deficiencies of Rs. 8.23 crore in 372 cases of which Rs. 3.31 crore had been recovered in 298 cases upto March 2009.

(Paragraph 1.10)

II. Commercial tax

A performance review on “**Collection of arrears in Commercial Tax Department**” revealed as under:

- Frequent reopening of cases of assessments under Section 30 resulted in non-realisation of tax of Rs. 48.17 crore.

(Paragraph 2.2.7)

- Cross check of “Demand and Recovery Register” with monthly returns submitted by 85 assessing authorities to Joint Commissioner (Executive) revealed discrepancy in figures of Rs. 254.62 crore in revenue realisation.

(Paragraph 2.2.8)

- Non-observance of prescribed procedure, delay in issue of recovery certificates and non-ensuring of particulars of the dealers at the time of registration resulted in non-realisation of tax of Rs. 142.69 crore.

(Paragraph 2.2.12)

- Non-execution of write-off cases resulted in accumulation of arrears of Rs. 1,278.55 crore.

(Paragraph 2.2.13)

- Non-levy of penalty and interest leviable on dealers on trade offences resulted in non-realisation of Rs. 8 crore.

(Paragraph 2.4)

III. Taxes on Vehicles, Goods and Passengers

- Short levy of additional tax on passenger vehicles resulted in short realisation of Rs. 4.16 crore.

(Paragraph 3.3.1)

- Non-levy of tax on gross laden weight of the vehicles resulted in short realisation of tax of Rs. 1.11 crore.

(Paragraph 3.3.2)

IV. Stamp Duty and Registration Fee

- Short levy of stamp duty due to incorrect computation of lease period resulted in short realisation of Rs. 3.44 crore.

(Paragraph 4.3.1)

V. Other Tax and Non-Tax Receipts

A performance review on **Public Works Department receipts** revealed as under:

- Non-adherence of financial rules resulted in misappropriation of departmental receipts of Rs. 13.24 crore towards departmental expenditure.

(Paragraph 5.2.7.1)

- Non-credit of stock profit to revenue resulted in short account of revenue of Rs. 6.73 crore.

(Paragraph 5.2.10.1)

- Non-realisation of compensation on late payment of monthly installments of lease resulted in loss of Rs. 92.39 lakh.

(Paragraph 5.2.12.2)

- Non-levy of centage charges on deposit works resulted in short realisation of revenue of Rs. 2.03 crore.

(Paragraph 5.2.13)

- Non/short levy of guarantee fees amounting to Rs. 14.75 crore.

(Paragraph 5.5.1)