

Overview

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The Report contains 30 paragraphs relating to non/short levy of tax, interest etc., involving ₹ 98.13 crore. Some of the major findings are mentioned below:

I. General

Total revenue receipts of the State Government for the year 2013-14 amounted to ₹ 49,176.93 crore against ₹ 44,137.30 crore for the previous year. 76 per cent of this was raised by the State through tax revenue (₹ 31,995.02 crore) and non-tax revenue (₹ 5,575.03 crore). The balance 24 per cent was receipt from the Government of India as State's share of divisible Union taxes (₹ 7,468.68 crore) and grants-in-aid (₹ 4,138.20 crore).

(Paragraph 1.1.1)

As on 30 June 2014, 3,027 Inspection Reports (IRs) in respect of various departments containing 23,324 audit observations involving money value of ₹ 6,018.52 crore were outstanding.

(Paragraph 1.7)

Compliance Audit

II. Taxes/VAT on sales, trade etc.

In 41 offices, purchase turnover and sales turnover were not fully accounted for which resulted in short payment of tax of ₹ 44.40 crore including cess and interest.

(Paragraph 2.4)

Application of incorrect rate of tax on the taxable turnover resulted in short payment of tax, cess and interest of ₹ 14.67 crore in eight cases.

(Paragraph 2.5.1 and 2.5.2)

In one case, application of incorrect rate of tax resulted in short payment of tax, cess and interest of ₹ 3.06 crore during three years.

(Paragraph 2.5.3)

In seven cases, either the assessee self assessed or the assessing authority assessed the tax commodities at the incorrect rate resulting in short payment of tax, cess and interest of ₹ 1.08 crore.

(Paragraph 2.5.4 to 2.5.10)

In nine offices, excess input tax credit/special rebate was availed resulting in short payment of tax, cess and interest of ₹ 2.87 crore.

(Paragraph 2.6.1 and 2.6.2)

In three offices, short levy of tax due to escape of turnover in works contract resulted in short payment of tax, cess and interest of ₹ 2.10 crore in 3 cases.

(Paragraph 2.7.1)

In five offices, discount/incentive received in six cases was not reckoned as turnover for assessing tax resulting in short payment of tax, cess and interest of ₹ 61.16 lakh.

(Paragraph 2.7.2)

In one office, the assessing authority did not revise defective self assessments, resulting in short payment of tax, cess and interest amounting to ₹ 42.09 lakh.

(Paragraph 2.9)

In two offices, contract receipts were either incorrectly computed or not assessed to tax resulting in short levy of tax, cess and interest of ₹ 49.83 lakh.

(Paragraph 2.10)

In three offices, while computing the compounded tax, rate was applied on incorrect turnover tax reckoned for previous year resulting in short demand of tax, cess and interest of ₹ 63.12 lakh in four cases.

(Paragraph 2.15)

Incorrect reckoning of turnover tax resulted in short demand of compound tax, cess and interest of ₹ 46.19 lakh.

(Paragraph 2.16)

III. Taxes on Agricultural Income

Acceptance of the claim of the assessee for deduction of insurance provision from net profit while calculating the Agricultural income which was already deducted as expenditure for computing net profit resulted in short levy of tax of ₹ two crore.

(Paragraph 3.4)

The assessing authority while finalising the assessment did not include in the agricultural income the amount received in respect of bad debt written off in earlier years resulting in short levy of tax of ₹ 28.92 lakh.

(Paragraph 3.5)

IV. Taxes on Vehicles

Non-collection of advertisement fee from a private firm resulted in loss of revenue of ₹ 8.87 crore.

(Paragraph 4.4)

In 32 offices, non-imposition of fine on overloaded vehicles worked out to ₹ 27.66 lakh in 475 cases

(Paragraph 4.5)

The Department, at the time of reclassification and assigning new registration of vehicles, did not levy/short levied tax in 927 cases in 43 offices. This resulted in non-levy/short levy of tax of ₹ 1.26 crore.

(Paragraph 4.6)

In 19 offices, one time tax realised on vehicles was less than that prescribed resulting in short collection of one time tax amounting to ₹ 14.69 lakh in 308 cases.

(Paragraph 4.7)

V. Land Revenue and Electricity Duty

A. Land Revenue and Building tax

In 13 taluk offices, 359 buildings were either not reported by Village Officers to the assessing authorities for assessment or though reported for assessment, were not assessed to building tax by the assessing authorities resulting in non-assessment of building tax of ₹ 82.86 lakh.

(Paragraph 5.4)

In 23 taluk offices, the Department either did not assess luxury tax or did not demand interest on belated payment of tax of ₹ 66.82 lakh in 2,034 cases.

(Paragraph 5.5)

B. Electricity Duty

The licensees collected electricity duty from low tension consumers only at 10 paise per unit of energy consumed instead of at 10 *per cent* of invoice price resulting in short levy of electricity duty of ₹ 18.26 lakh.

(Paragraph 5.9)

VI. State Excise

The differential amount of ₹ 7.40 crore towards Foreign Liquor-3 licence fee was not collected from 740 licencees though the fee was enhanced during the year.

(Paragraph 6.4)

Excess wastage of 1.12 lakh Proof Litre of Extra Neutral Alcohol was allowed due to incorrect computation of wastage resulted in non-levy of duty of ₹ 22.46 lakh

(Paragraph 6.5)

The licence fee on the sale of spirituous preparation though revised was collected only at pre-revised rates from Spirituous Preparation (SP)VI and SP VII licencees resulting in short levy of fee of ₹ 3.97 lakh.

(Paragraph 6.6)

VII. Stamp duty and Registration fees

The audit on the issue of 'Fixation of fair value of land in the State' revealed the following:

- Though the system of fair value for land was introduced in 2010 in 1,635 villages, fair value was not fixed in 1,32,991 survey/re-survey numbers in 89 villages.

(Paragraph 7.4.3)

- The Government did not prescribe a detailed procedure for classification of land for the purpose of fixation of fair value.

(Paragraph 7.4.4.1)

- Failure to constitute the village level committees (VLCs), non-defining of the market value resulted in fixation of fair value at a level lower than the previous transaction value or purchase value.

(Paragraph 7.4.4.3)

- In the absence of guidelines for valuation of building, understatement of the value of buildings presented for registration cannot be detected.

(Paragraph 7.4.6)