

CHAPTER V: TAXES ON VEHICLES, GOODS AND PASSENGERS**5.1 Tax administration****5.1.1 Taxes on vehicles**

Registration of motor vehicles, issue of permits, issue of driving/conductor licenses, levy and collection of token tax, permit fee and license fee are governed by the Motor Vehicles Act, 1988, (MV Act), the Central Motor Vehicles Rules, 1989 (CMVR), the Haryana Motor Vehicles Rules, 1993, the Punjab Motor Vehicles Taxation Act, 1924 (PMVT Act), as applicable to the State of Haryana and the Punjab Motor Vehicles Taxation Rules, 1925. The Additional Chief Secretary to Government of Haryana is the administrative head of the Transport Department and is assisted by the Transport Commissioner who exercises general superintendence over the functioning of the Department. The powers of Registering and Licensing Authority (RLA) are being exercised by Sub-Divisional Officers (Civil) in respect of non-transport vehicles, while Secretaries, Regional Transport Authorities (RTAs) are exercising the powers of RLA in respect of transport vehicles including goods vehicles.

5.1.2 Passengers and goods tax

Levy and collection of passengers and goods tax (PGT) are governed by the Punjab Passengers and Goods Taxation Act, 1952 (PPGT Act) and the Rules framed thereunder as applicable to the State of Haryana. The Principal Secretary to Government of Haryana, Excise and Taxation Department is the administrative head. Overall charge of the Department vests with the Excise and Taxation Commissioner (ETC), Haryana. The work relating to levy and collection of PGT is carried out by the Assistant Excise and Taxation Officers (AETOs) under Deputy Excise and Taxation Commissioners (DETCs) in the field.

5.2 Results of Audit

During 2016-17, test check of the records of 91 out of 220 units revealed irregularities relating to token tax, permit fee, fitness/renewal fee, taxes on goods and passengers and penalty involving ₹ 7.76 crore in 33,030 cases which fall under the following categories as depicted below:

Table 5.1: Results of audit

Sr. No.	Categories	Number of cases	Amount (₹ in crore)
1.	Non/short recovery of Permit fee	1,227	1.95
2.	Non recovery of fitness/renewal fee on account of renewal of registration certificates	25,125	0.49

Sr. No.	Categories	Number of cases	Amount (₹ in crore)
3.	Non recovery of fine from overloaded vehicles	130	0.26
4.	Non/short recovery of <ul style="list-style-type: none"> • token tax from private vehicles • passengers tax • goods tax 	4,702 588 969	2.09 1.13 1.03
5.	Miscellaneous irregularities	289	0.81
Total		33,030	7.76

During the year, the Department accepted under-assessment and other deficiencies of ₹ 92.35 lakh in 1,281 cases out of which 1,242 cases involving ₹ 90.67 lakh were pointed out during the year and rest in earlier years. The Department recovered ₹ 4.60 lakh in 87 cases out of which ₹ 2.92 lakh in 48 cases relates to the year 2016-17 and rest to earlier years.

Significant cases involving ₹ 1.27 crore are discussed in the following paragraphs.

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5.3 Non/short realisation of Goods Tax

Vehicle owners of 619 public or private carriers used for carrying goods had not deposited or short deposited Goods tax during the years 2014-15 to 2015-16 resulting in non/short realisation of goods tax of ₹ 47.25 lakh. In addition, interest of ₹ 27.88 lakh was also leviable.

Goods tax is leviable in lump sum on public or private carriers plying in or passing through the State at rates¹ prescribed on the basis of loading capacity as per the Motor Vehicles Act with effect from 25 March 2011. Tax is payable in equal quarterly instalments within 30 days of the commencement of quarter to which the payment relates. Rule 22 of the PPGT Rules, 1952 provides that if any sum is payable by an owner under the Act or these rules, the assessing authority shall serve a demand notice and fix a date not less than 15 days from the date of service by which the owner shall furnish the receipted challan in proof of such payment. Further, as per Section 14 (B) of the PPGT Act, where any tax or penalty is not paid within the prescribed time, the owner of the vehicle shall be liable to pay interest at the rate of two *per cent* per month on the unpaid amount of tax.

¹ ₹ 4,000 per annum (not exceeding 10 tons); ₹ 5,600 per annum (exceeding 10 tons but not exceeding 17 tons) and ₹ 12,000 per annum (exceeding 17 tons). These rates were revised on 09 July 2015 on the basis of Gross Vehicle weight, exempted (Upto 1.2 tons); ₹ 6,000 per annum (exceeding 1.2 tons but not exceeding 6 tons); ₹ 7,200 per annum (exceeding 6 tons but not exceeding 16.2 tons); ₹ 12,000 per annum (exceeding 16.2 tons but not exceeding 25 tons) and ₹ 18,000 per annum (exceeding 25 tons).

Scrutiny of records of 11 DETC (PGT)² revealed that vehicle owners of 619 public or private carriers used for carrying goods had not deposited Goods tax of ₹ 47.25 lakh for different periods between April 2014 and March 2016. No demand notices had been issued by the department nor was there any system for monitoring the recovery of dues. This resulted in non/short realisation of Goods tax of ₹ 47.25 lakh. In addition, interest of ₹ 27.88 lakh was also leviable as per the PPGT Act.

On this being pointed out, six DETCs (PGT)³ stated in April and May 2017 that Goods tax of ₹ 2.77 lakh including interest had been recovered and notices had been issued to the remaining vehicle owners to recover the outstanding amount of ₹ 39.41 lakh. Further progress report on recovery and reply from the remaining five DETCs (PGT) has not been received (October 2017).

The matter was reported to the Transport Department between April and December 2016 and to the Government in May 2017; their replies were awaited (October 2017).

5.4 Non/short recovery of token tax

Vehicle owners of 742 goods carriages either had not deposited or short deposited token tax during the year 2015-16 resulting in non/short realisation of taken tax of ₹ 17.16 lakh. In addition, penalty of ₹ 34.32 lakh was also leviable.

Under Section 3 (1) of the PMVT Act, as applicable to the State of Haryana, tax shall be leviable on every motor-vehicle in equal instalments for quarterly periods commencing on the first day of beginning of each quarter. Any broken period in such quarterly period shall, for the purpose of levying the tax, be considered as a full period. As per Haryana Government notification issued in January 2006, yearly token tax shall be leviable in advance on the basis of gross vehicle weight⁴ in equal quarterly or annual instalments. In case of omission to comply with the provisions, penalty at the rate of one *per cent* per day of the token tax due will be charged from the beginning of the next month of each quarter. However, the maximum amount of penalty will not exceed twice the amount of tax due.

² Bhiwani, Faridabad (East), Faridabad (West), Gurugram, Hisar, Kaithal, Karnal, Kurukshetra, Panipat, Rewari and Rohtak.

³ Faridabad (East), Faridabad (West), Karnal, Panipat, Rewari and Rohtak.

⁴ ₹ 300 per annum (not exceeding 1.2 tonnes), ₹ 1,200 per annum (exceeding 1.2 tonnes but not exceeding six tonnes), ₹ 2,400 per annum (exceeding six tonnes but not exceeding 16.2 tonnes), ₹ 3,500 per annum (exceeding 16.2 tonnes but not exceeding 25 tonnes) and ₹ 4,500 per annum (exceeding 25 tonnes).

Scrutiny of records of office of the five Secretary, Regional Transport Authority (RTA)⁵ revealed that vehicle owners of 742 goods carriages either had not deposited or short deposited token tax during the year 2015-16. No action had been taken by the department to recover the token tax. This resulted in non/short realisation of token tax amounting to ₹ 17.16 lakh. In addition, penalty of ₹ 34.32 lakh was also leviable as per Act.

On this being pointed out, all the RTAs stated (between April and August 2017) that an amount of ₹ 8.49 lakh had been recovered and notices had been issued to recover the outstanding amount of ₹ 42.99 lakh from the concerned vehicle owners.

The matter was reported to the Transport Department between September 2016 and January 2017 and to the Government in May 2017; their replies were awaited (October 2017).

⁵ RTAs: Ambala, Faridabad, Kurukshetra, Rohtak and Sirsa.