

Chapter–V Taxes on Motor Vehicles

5.1 Tax administration

The overall charge of the Transport Department vests with the State Transport Commissioner (STC), Punjab, Chandigarh. There are 22 districts each headed by a District Transport Officer (DTO) who monitors due observance of the Punjab Motor Vehicles Taxation Act, 1924 and the Rules made thereunder and maintains the records of receipt of motor vehicles taxes and various fees. In addition, there are four Regional Transport Authorities (RTAs) for regulating the transport vehicles in the State in conformity with the Act and collection of motor vehicles taxes in respect of buses of other States.

5.2 Results of audit

Test check of the records of 29 units relating to taxes on vehicles during 2016-17 revealed irregularities involving ₹ 18.83 crore in 4,301 cases, which broadly fall under the following categories as depicted below:

Table 5.1: Results of audit

| Sl. No. | Categories | No. of cases | Amount (₹ in crore) |
|---------|--|--------------|------------------------|
| 1. | Non/Short realisation of Motor Vehicle Tax | 3,753 | 9.23 |
| 2. | Irregular retention of Government money | 33 | 7.35 |
| 3. | Other irregularities | 515 | 2.25 |
| | Total | 4,301 | 18.83 |

In 2016-17, the Department informed audit that they have accepted and recovered, by issuing demand notices in cases of short/non-recovery of MVT and other deficiencies, ₹ 2.26 crore involved in 560 cases, out of which ₹ 3.72 lakh involved in 11 cases were pointed out in 2016-17 and rest in the earlier years.

Some illustrative cases involving ₹ 38.68 lakh are discussed in the succeeding paragraphs.

5.3 Non/Short realisation of motor vehicle tax

In two RTAs and three DTOs, Motor Vehicle Tax of ₹38.68 lakh was short realised from four companies/institutes and two state road transport authorities plying buses in Punjab.

Section 3 of the Punjab Motor Vehicle Taxation Act, 1924, provides for imposition of tax on every motor vehicle and empowers the Government of Punjab to determine the rate and manner of payment of the tax. The Government, in exercise of these powers, notified the rates of Motor Vehicle

Tax (MVT) for stage carriage buses, private service vehicles, vehicles used by educational institutions and buses of other States plying in Punjab having permits which were countersigned under reciprocal agreements.

- (i) Scrutiny of records of District Transport Officers (DTOs) Ludhiana and Sangrur revealed that MVT of ₹ 17.52 lakh was realised from two private transport companies for the period 2013-14 to 2015-16 in respect of 10 permits of stage carriage buses with a total of 4172 permitted kilometers per day whereas MVT of ₹ 31.79 lakh was required to be realised from them for the permitted kilometers on the basis of prevalent rates¹ of MVT. This resulted in short realisation of MVT of ₹ 14.27 lakh.

The matter was reported to the Government/Department (February 2016 and May 2017). DTO Ludhiana replied (April 2017) that recovery of ₹ 4.35 lakh had been made and balance would be recovered shortly. DTO Sangrur replied (May 2017) that notice to concerned transport company had been issued.

- (ii) Scrutiny of records of DTO Ludhiana and Mansa revealed that MVT of ₹ 11.83 lakh was due in respect of two private service vehicles of a company and 13 vehicles of an educational institution for the period 2015-16 but the same was not realized by the department.

- (iii) In Regional Transport Authorities (RTAs), Ferozpur and Jalandhar, MVT of ₹ 16.07 lakh was realised during 2014-16 against the due MVT of ₹ 28.65 lakh on the basis of kilometers permitted to be covered on two routes in Punjab under the reciprocal agreement with the Himachal Roads Transport Corporation and the Rajasthan State Road Transport Corporation. This resulted into short realisation of MVT of ₹ 12.58 lakh.

The matter was reported to the Government/Department (February 2017). RTA Ferozpur replied (March 2017) that concerned authority had been asked to deposit the due MVT.

¹

| Period | Ordinary Buses (Rates in ₹) |
|---------------------------------|--------------------------------|
| Upto 7 August 2013 | 2.75 |
| 8 August 2013 to 2 July 2014 | 3.00 |
| 3 July 2014 to 31 December 2014 | 3.13 |
| 1 January 2015 onwards | 3.03 |