

CHAPTER-V
TAXES ON VEHICLES,
GOODS AND PASSENGERS

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 licences, levy and collection of token tax, permit fee and licence 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 Licencing 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. General superintendence 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.

Two types of taxes are levied on Goods vehicles; Goods Tax and Token Tax. Goods tax is payable for carriage of goods and is levied under Section 3 (1) of Punjab Passenger and Goods Taxation Act 1952, applicable to Haryana. Token Tax is a road tax and is levied under Section 3 (1) of Punjab Motor Vehicles Taxation Act 1924 applicable to Haryana. Annual rate of tax for both are fixed on the basis of gross vehicle weight and are payable quarterly.

5.2 Results of Audit

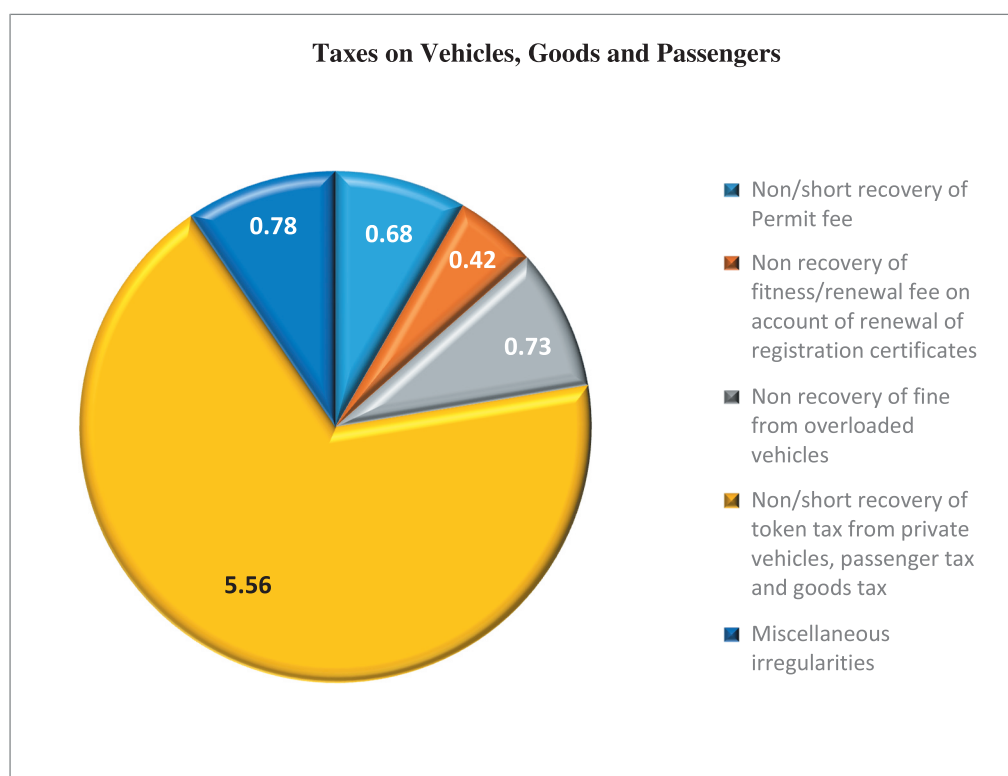
During 2017-18, test check of records of 84 out of 107 units revealed irregularities relating to token tax, permit fee, fitness/renewal fee, taxes on

goods and passengers and penalty involving ₹ 8.17 crore in 16,180 cases which fall under categories as detailed in **Table 5.1**.

Table 5.1 – Results of audit

Sr. No.	Categories	Number of cases	Amount (₹ in crore)
1.	Non/short recovery of Permit fee	455	0.68
2.	Non recovery of fitness/renewal fee on account of renewal of registration certificates	6,541	0.42
3.	Non recovery of fine from overloaded vehicles	384	0.73
4.	Non/short recovery of <ul style="list-style-type: none"> • token tax from private vehicles • passengers tax • goods tax 	4,079 1,400 2,340	1.47 1.25 2.84
5.	Miscellaneous irregularities	981	0.78
Total		16,180	8.17

Chart 5.2



During the year, the Department accepted under-assessment and other deficiencies of ₹ 2.78 crore in 2,905 cases out of which 2,889 cases involving ₹ 2.74 crore were pointed out during the year and rest in earlier years. The Department recovered ₹ 3.32 lakh in 16 cases which relates to earlier years.

Significant cases involving ₹ 2.78 crore are discussed in the following paragraphs. The cases pointed out are based on the test check conducted by audit. The Department may initiate action to examine similar cases and take necessary corrective action.

EXCISE AND TAXATION DEPARTMENT

5.3 Non realisation of Goods Tax

Owners of 1,584 goods carriages had not deposited Goods Tax during 2016-17 resulting in non realisation of Goods Tax of ₹ 1.62 crore. In addition, interest of ₹ 61.33 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 09 July 2015. Tax is payable in equal quarterly instalments within 30 days of the commencement of the quarter to which the payment relates. Rule 22 of the Punjab Passenger and Goods Taxation (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 issue of notice 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.

Scrutiny of records of 15 DETC (PGT) offices² revealed that owners of 1,584 goods carriages had not deposited Goods tax of ₹ 1.62 crore for different periods between April 2016 and March 2017. No demand notices had been issued by the department nor was there any system for monitoring the

¹

Gross Vehicle weight	Amount of tax per annum (₹)
Upto 1.2 tons	Exempted
Exceeding 1.2 tons but not exceeding 6 tons	6,000
Exceeding 6 tons but not exceeding 16.2 tons	7,200
Exceeding 16.2 tons but not exceeding 25 tons	12,000
Exceeding 25 tons	18,000

²

Ambala, Bhiwani, Faridabad(East), Faridabad (West), Hisar, Jagadhri, Jind, Karnal, Kurukshetra, Narnaul, Panipat, Rewari, Rohtak, Sirsa and Sonapat.

recovery of dues. This resulted in non realisation of Goods tax of ₹ 1.62 crore. In addition, interest of ₹ 61.33 lakh³ was also leviable as per the PPGT Act.

On this being pointed out, DETCs (PGT) Sonapat and Jind stated in January and April 2018 that Goods tax of ₹ 3.95 lakh including interest had been recovered and notices had been issued to the remaining vehicle owners to recover the outstanding amount of ₹ 36.87 lakh. Four DETCs (PGT)⁴ stated (between October 2017 and April 2018) that notices had been issued/efforts would be made to recover the outstanding amount of ₹ 44.69 lakh from the defaulting vehicle owners. DETC Sirsa stated (July 2018) that an amount of ₹ 3.14 lakh has been recovered in 22 cases and efforts has been made to recover the balance amount. Reply from the remaining eight DETCs (PGT) have not been received.

The matter was reported to the Government in July 2018. Reply was awaited despite issuance of reminder in November 2018.

The department may initiate action for recovery of the outstanding amount and establish a system for monitoring recovery of dues.

TRANSPORT DEPARTMENT

5.4 Non/short recovery of Token Tax

Owners of 1,305 goods carriages had not deposited Token Tax during the years 2015-16 and 2016-17 resulting in non realisation of ₹ 18.42 lakh. In addition, penalty of ₹ 36.84 lakh was also leviable.

As per Haryana Government notification issued in January 2006, yearly token tax shall be leviable in advance on the basis of gross vehicle weight⁵ and is payable in equal quarterly instalments. The quarterly instalments should be paid on the first day of each quarter. Any broken period in such quarterly period shall, for the purpose of levying the tax, be considered as a full period. Further, Section 9 of the Act provides that in case of omission to comply with the provisions, penalty at the rate of one *per cent* per day of the token tax due

³ Interest calculated upto March 2018.

⁴ Ambala, Hisar, Kurukshetra and Rewari.

⁵

Gross Vehicle weight	Amount of tax per annum (₹)
Not exceeding 1.2 tonnes	300
Exceeding 1.2 tonnes but not exceeding six tonnes	1,200
Exceeding six tonnes but not exceeding 16.2 tonnes	2,400
Exceeding 16.2 tonnes but not exceeding 25 tonnes	3,500
Exceeding 25 tonnes	4,500

will be charged from the first day of May, August, November and February for each quarter. However, the maximum amount of penalty will not exceed twice the amount of tax due.

Scrutiny of the records of the offices of nine Secretary, RTA⁶ revealed that the vehicle owners of 1,305 goods carriages either had not deposited or short deposited token tax during the year 2015-16 and 2016-17. No action had been taken by the department to recover the token tax. This resulted in non realisation of token tax amounting to ₹ 18.42 lakh. In addition, penalty of ₹ 36.84 lakh was also leviable as per the Act.

On this being pointed out, five RTAs⁷ stated (between November 2017 and April 2018) that an amount of ₹ 0.64 lakh had been recovered and notices had been issued to recover the outstanding amount of ₹ 21.00 lakh. Reply from remaining four RTAs have not been received.

The matter was reported to the Government in May 2018. Reply was awaited despite issuance of reminders in July and November 2018.

The Government may consider issuing alerts to the road side checking team regarding the defaulting registration numbers.

The cases pointed out are based on the test check conducted by Audit. The Department may initiate action to examine similar cases and take necessary corrective action.

⁶ Faridabad, Hisar, Jind, Karnal, Narnaul, Nuh, Panchkula, Panipat and Sonapat.

⁷ Hisar, Jind, Narnaul, Panchkula and Sonapat.

