

OVERVIEW

The Report contains 33 paragraphs including two reviews relating to non/short levy of taxes, interest, penalty etc., involving Rs. 401.59 crore. Some of the major findings are mentioned below:

1 GENERAL

- The total revenue receipts of the State Government for the year 2006-07 amounted to Rs. 44,245.47 crore against Rs. 34,851.19 crore for the previous year. Sixty nine *per cent* of this was raised by the State through tax revenue (Rs. 23,926.20 crore) and non-tax revenue (Rs. 6,487.83 crore). The Balance 31 *per cent* was received from the Government of India as State share of divisible Union taxes (Rs. 8,866.00 crore) and grants-in-aid (Rs. 4,965.44 crore).

(Paragraph 1.1)

- At the end of March 2007, the arrears of revenue in commercial taxes, land revenue, taxes on vehicles, stamp duty and registration fees, purchase tax on sugarcane, state excise and taxes and duties on electricity etc., amounted to Rs. 5,842.05 crore, of which Rs. 2,289.17 crore were pending for more than five years.

(Paragraph 1.4)

- Test check of the records of sales tax, land revenue, taxes on vehicles, stamp duty and registration fee and other departmental offices conducted during the year 2006-07 revealed underassessment/short levy/loss of revenue amounting to Rs. 1,173.20 crore in 1858 cases.

(Paragraph 1.7)

2 SALES TAX

- Under declaration of value added tax (VAT) in one case resulted in short payment of tax of Rs. 69.72 crore.

(Paragraph 2.2)

- Allowance of excess credit of relief on sales tax resulted in loss of revenue of Rs. 11.70 lakh in three circles.

(Paragraph 2.3)

- Incorrect exemption resulted in non/short levy of tax of Rs. 89.75 crore in seven circles involving eight cases.

(Paragraph 2.4)

- In one large tax payers unit (LTU) and 53 circles, tax on works contracts amounting to Rs. 8.80 crore was not/short levied.

(Paragraph 2.5)

- Irregularities in sanction and availing of sales tax incentives resulted in non-realisation of Rs. 6.25 crore.

(Paragraph 2.6)

- Application of incorrect rate of tax resulted in short levy of tax of Rs. 2.06 crore in three LTUs and 25 circles involving 31 cases.

(Paragraph 2.7)

- Interest of Rs. 99.08 lakh was not levied on belated payment of tax in one case.

(Paragraph 2.9)

3 LAND REVENUE

- In 15 mandal revenue offices, remission of water tax amounting to Rs. 1.38 crore was allowed without obtaining orders of the Government.

(Paragraph 3.2)

- In nine mandal revenue offices, water tax of Rs. 22.52 lakh was not/short levied.

(Paragraph 3.4.1)

- In 12 mandal revenue offices, road cess of Rs. 26.09 lakh was not/short levied.

(Paragraph 3.5)

4 TAXES ON VEHICLES

A review of “**Assessment, levy and collection of taxes on motor vehicles**” revealed the following points:

- Lack of a system of reconciliation of figures between the amounts paid by e-seva centres and the figures being reflected in the departmental server resulted in variation of Rs. 210.29 crore and loss of interest of Rs. 9.36 lakh.

(Paragraph 4.2.7)

- Absence of a time limit to finalise the assessment after submission of final accounts by the assessee coupled with absence of penal provisions for belated payments resulted in non-realisation of Rs. 26.47 crore.

(Paragraph 4.2.8)

- Non-levy of quarterly tax and penalty of Rs. 106.50 crore on transport vehicles.

(Paragraph 4.2.12)

- Short collection of penalty of Rs. 20.29 crore for belated payment of taxes.

(Paragraph 4.2.13)

- Non-levy of life tax and penalty of Rs. 2.19 crore on omnibuses.

(Paragraph 4.2.14)

- Issue/renewal of 5,78,993 driving licences during 2005-06 at pre-revised rates resulted in short levy of fee of Rs. 2.90 crore.

(Paragraph 4.3)

- Compounding fee of Rs. 32.61 lakh was not levied and collected in respect of 584 vehicles.

(Paragraph 4.4)

5 STAMP DUTY AND REGISTRATION FEES

- In 14 district registries and 73 sub-registries, adoption of incorrect rate resulted in short levy of stamp duty of Rs. 22.42 crore.

(Paragraph 5.2)

- In six district registries and 10 sub-registries, incorrect adjustment of stamp duty resulted in loss of revenue of Rs. 1.62 crore.

(Paragraph 5.3)

- In one district registry and one sub-registry, undervaluation of properties resulted in short levy of duties aggregating Rs. 88.22 lakh.

(Paragraph 5.4)

- In one sub-registry, misclassification of documents resulted in short levy of stamp duty of Rs. 67.24 lakh.

(Paragraph 5.5)

6 OTHER TAX AND NON-TAX RECEIPTS

HOME DEPARTMENT

A review of “**Receipts of Police Department**” revealed the following points:

- Non-maintenance of the prescribed register as well as non-prescribing of a return to monitor the payment of dues resulted in non-realisation of Rs. 45.19 crore.

(Paragraph 6.2.7)

- Failure of the inspecting officers to detect less remittance of police cost resulted in non-credit of Rs. 2.12 crore to the concerned receipt head out of which Rs. 73.26 lakh were utilised for departmental purposes without any lawful authority.

(Paragraph 6.2.8)

- Absence of a provision to charge interest resulted in non-levy of interest on the outstanding amount of Rs. 76.87 crore.

(Paragraph 6.2.9)

- Compounding fee of Rs. 52.52 crore collected under the Motor Vehicles Act was incorrectly remitted to deposit/police head of account out of which Rs. 27.94 crore was utilised for departmental expenditure.

(Paragraph 6.2.11)

- Deployment of police force without terms and conditions coupled with absence of records for deployment of police guard resulted in non-realisation of Rs. 3.18 crore.

(Paragraph 6.2.13)

- Loss of revenue of Rs. 1.66 crore due to non-collection of rent, water and electricity charges from unauthorised occupants of Police quarters.

(Paragraph 6.2.14)

REVENUE DEPARTMENT

Commercial Taxes

- Professions tax of Rs. 4.99 crore was not levied and collected from owners of 66,545 vehicles on road for the year 2005-06.

(Paragraph 6.3)

INDUSTRIES AND COMMERCE DEPARTMENT

Purchase tax on sugar cane

- In one assistant cane commissioner's office, penalty of Rs. 2.30 crore was not levied on removal of sugar without payment of purchase tax.

(Paragraph 6.5)

Mines and Minerals

- Seigniorage fee of Rs. 1.16 crore recovered from contractors' bill for the year 2005-06 was not remitted to Government account in five offices.

(Paragraph 6.6)

IRRIGATION AND COMMAND AREA DEVELOPMENT DEPARTMENT
Irrigation Wing

- Royalty on water levied at pre-revised rates resulted in short levy of royalty of Rs. 28.92 lakh.

(Paragraph 6.8)