

CHAPTER – IV : TAXES ON MOTOR VEHICLES

4.1 Results of audit

Test check of records of 19 district transport offices (DTOs) conducted during the year 2005-06 revealed non/short realisation of tax and other irregularities amounting to Rs. 8.28 crore in 1,858 cases, which broadly fall under the following categories:

(Rupees in crore)			
Sl. No.	Category	Number of cases	Amount
1.	Non/short realisation of road tax	844	7.29
2.	Non collection of registration fee/tax	385	0.49
3.	Non/short realisation of one time tax	285	0.08
4.	Non realisation of inspection fees	329	0.03
5.	Other irregularities	15	0.39
Total		1858	8.28

During the year 2005-06, the department accepted observations in 498 cases involving Rs. 55.13 lakh and recovered Rs. 2.12 lakh in one case, which was pointed out during 2004-05.

A few illustrative cases involving Rs. 55.18 lakh are given in the following paragraphs:

4.2 Non realisation of tax

Under the Assam Motor Vehicle Taxation Act (AMVT Act), 1936, tax on motor vehicles is required to be paid in lumpsum either on or before 15 April each year or in four equal instalments on or before 15th day of April, July, October and January respectively. In case of non payment of tax, the owner of a motor vehicle shall be liable to pay fine at the rate of Rs. 5 per day for each day of such delayed payment. District transport officer (DTO) is required to maintain a combined register to watch the recovery of tax. He is required to review this register and issue demand notices to defaulters.

Test check of combined registers of six DTOs¹, revealed between January 2005 and February 2006 that combined registers were not reviewed by the DTOs between July 2002 and December 2005. In 343 cases, tax on motor vehicles amounting to Rs. 29.68 lakh was neither paid by owners nor were any demand notices to realise the tax issued. In addition to tax, fine of Rs. 13.80 lakh was also leviable.

After this was pointed out between January 2005 and March 2006, five DTOs stated (April 2005 - March 2006) that demand notices would be issued for realisation of tax. Report on issue of demand notices and realisation of tax is awaited (October 2006). Reply from DTO Jorhat has not been received (October 2006).

The cases were reported to the department and Government in March 2005 and March 2006; followed by reminder in June 2006. Their replies have not been received (October 2006).

4.3 Short realisation of tax

Under the AMVT Act as amended (May 2005), one time tax at prescribed rate is leviable on three wheelers commercial vehicles (passenger and goods vehicle) for a period of 10 years, along with permission to run for additional five years (optional). After expiry of 10 years annual tax applicable at that time will be leviable. In the case of personalised four wheelers, one time tax for 15 years at prescribed percentage of original cost of vehicle is leviable. These rates came into force with effect from 17 May 2005.

Test check of combined registers of DTOs Morigaon and Jorhat revealed between January and February 2006 that one time tax in respect of 28 four wheeler personalised vehicles and 17 three wheelers had not been realised at revised rates from vehicles newly registered between the period 20 May 2005 and 30 September 2005. This resulted in short realisation of one time tax of Rs. 2.82 lakh.

¹ Cachar, Dhemaji, Hailakandi, Jorhat, Karimganj and Tezpur.

After this was pointed out in January-February 2006, the DTOs stated in June 2006 that demand notices had been issued in all cases. However, report on realisation of tax is awaited (October 2006).

The cases were reported to the department and Government in March 2006; followed by reminder in June 2006. However, their replies have not been received (October 2006).

4.4 Non assignment of new registration number to vehicles from other States

Under the Motor Vehicles Act, 1988, when a motor vehicle registered in one State has been kept in another State for a period exceeding 12 months, the owner of the vehicle shall apply to the registering authority for the assignment of a new registration number and pay fees at the rates prescribed.

Test check of combined registers for the period between July 2000 and November 2004 of DTOs, Cachar and Karimganj revealed in January-February 2006 that in 147 cases, the owners of the vehicles did not apply for new registration numbers although the vehicles had been plying within the jurisdiction of above DTOs for more than 12 months. This resulted in non collection of registration fee and tax amounting to Rs.8.88 lakh.

After this was pointed out, DTO, Karimganj stated in February 2006 that steps had been taken for assignment of new registration numbers and realisation of tax. DTO Cachar, Silchar stated in June 2006 that demand notices in 92 cases were issued out of which registration fees in the case of 18 vehicles and tax of Rs. 1.17 lakh had been realised in 13 cases. However, report on realisation of tax/fees in other cases is awaited (October 2006).

The cases were reported to the department/Government in March 2006; followed by reminder in June 2006. However, their replies have not been received (October 2006).