

OVERVIEW

This Report contains 35 paragraphs including one review relating to non/short levy of taxes, fees, interest and penalty etc., involving Rs. 241.77 crore. Some of the major findings are mentioned below:

I. General

- The total receipts of the State for the year 2007-08 were Rs. 15,324.92 crore against Rs. 13,666.95 crore in the previous year. Of this, 36 *per cent* was raised by the Government through tax revenue (Rs. 3,359.50 crore) and non-tax revenue (Rs. 2,134.59 crore). The balance 64 *per cent* was received from the Government of India in the form of State's share of net proceeds of divisible Union taxes (Rs. 4,918.21 crore) and grants-in-aid (Rs. 4,912.62 crore).

(Paragraph 1.1)

- The arrears of revenue as on 31 March 2008 in respect of some principal heads of revenue amounted to Rs. 756.47 crore of which Rs. 350.45 crore were outstanding for more than five years.

(Paragraph 1.4)

- In respect of taxes administered by the Finance Department, such as sales tax and other taxes, 69,829 assessments were completed during 2007-08 leaving balance of 54,134 cases pending for assessments as on 31 March 2008.

(Paragraph 1.5)

- Test check of records of sales tax, taxes on vehicles, state excise, forest receipts, other tax and non tax receipts conducted during the year 2007-08 revealed under assessment/short levy/short demand and loss of revenue amounting to Rs. 337.75 crore in 634 cases. The concerned departments accepted under assessment, short levy etc., of Rs. 19.71 lakh pointed out in 2007-08 and earlier years and recovered Rs. 12.16 lakh.

(Paragraph 1.6)

II. Sales Tax

- Taxable turnover of Rs. 111.10 crore escaped assessment resulting in short levy of tax of Rs. 25.11 crore including interest.

(Paragraph 2.2)

- In 10 cases, interest of Rs.2.96 crore was short levied by the assessing officers of five sales tax offices.

(Paragraph 2.3)

- Application of lower rate of tax by the assessing officer led to short levy of tax of Rs. 82.11 lakh including interest.

(Paragraph 2.4)

- Failure of the assessing officer to detect concealment of turnover resulted in short levy of tax of Rs. 51.85 lakh including interest and penalty.

(Paragraph 2.5)

- Incorrect determination of taxable turnover led to short levy of tax of Rs. 14.87 lakh including interest.

(Paragraph 2.6)

- Tax deducted at source amounting to Rs. 10.47 lakh without supporting *challan* was incorrectly adjusted against the tax payable by a dealer.

(Paragraph 2.7)

- Incorrect grant of exemption from payment of tax to the industrial units resulted in non-levy of tax of Rs. 13.01 crore.

(Paragraph 2.11)

- Irregular grant of exemption on stock transfer resulted in non-levy of tax of Rs. 10.84 crore including interest.

(Paragraph 2.12)

- Incorrect grant of concessional rate of tax on sale against form 'C' resulted in short levy of tax of Rs. 3.45 crore.

(Paragraph 2.13)

- Incorrect grant of concessional rate of tax on sale against form 'D' resulted in short levy of tax of Rs. 6.71 lakh.

(Paragraph 2.14)

III. State Excise

- Failure to levy and collect import permit fee at revised rates resulted in short realisation of Rs.7.01 lakh.

(Paragraph 3.2)

- Establishment cost of Rs. 2.86 lakh was not recovered from one distillery.

(Paragraph 3.3)

IV. Taxes on Motor Vehicles

- Failure of the district transport officers to review the combined registers at periodic intervals and issue demand notices to the defaulting vehicle owners for payment dues resulted in non-realisation of tax of Rs. 3.97 crore.

(Paragraph 4.2.7)

- The Enforcement Wing failed to detect 1,48,624 commercial trucks carrying excess load beyond maximum permissible limit resulting in non-levy of fine of Rs. 169.47 crore.

(Paragraph 4.2.11)

- There was non/short levy of licence fee of Rs. 29.91 lakh from 57 agents of passenger and goods vehicles.

(Paragraph 4.2.12)

V. Other Tax Receipts

A. Agricultural income tax

- Incorrect allowance of set-off of loss against future income of a company led to sort levy of tax of Rs. 36.32 lakh.

(Paragraph 5.2)

- Interest of Rs. 58.47 lakh was levied against Rs. 90.80 lakh resulting in short levy of interest of Rs. 32.33 lakh.

(Paragraph 5.3)

B. Land revenue

- Government revenue of Rs.19.55 lakh was illegally retained by the *mouzadars* instead of remitting into the Government account.

(Paragraph 5.6)

VI. Mines and Minerals

- Royalty of Rs. 1,162.50 crore was paid against Rs. 1,169.36 crore by the Oil India Limited resulting in short payment of royalty of Rs. 6.86 crore. Besides additional royalty of Rs. 2.92 crore was also leviable for non-payment of royalty.

(Paragraph 6.2)

VII. Forest Receipts

- The Government was deprived of additional revenue of Rs. 2.92 crore due to sale of forest produce through permit system

(Paragraph 7.2)

- Forest royalty of Rs. 85.82 lakh was not deducted by the drawing and disbursing officers while releasing the final bills of the contractors resulting in non-realisation of revenue of Rs. 85.82 lakh.

(Paragraph 7.3)

- Non-settlement of forest *mahals* resulted in loss of revenue of Rs. 46.16 lakh.

(Paragraph 7.5)