

CHAPTER – 4

OTHER TAX AND NON-TAX RECEIPTS

4.1 Results of Audit

Test check of assessment records in the offices dealing with the following revenue receipts during 2001-2002 disclosed under-assessments, non-recovery/short recovery of revenue amounting to Rs.81.28 crore in 835 cases as shown below:

(Rupees in crore)

| Sl. No. | Particulars | No. of cases | Amount |
|---------|----------------------------------|--------------|--------------|
| 1. | Stamp Duty and Registration Fees | 7 | 0.39 |
| 2. | Professions Tax | 6 | 0.04 |
| 3. | Taxes on Specified Land | 3 | 0.02 |
| 4. | Mines and Minerals Receipts | 7 | 62.26 |
| 5. | State Excise | 21 | 4.00 |
| 6. | Taxes on Motor Vehicles | 211 | 4.43 |
| 7. | Land Revenue | 580 | 10.14 |
| | Total: | 835 | 81.28 |

During the year the department accepted under-assessment of Rs.32.98 crore in 6 cases, which had been pointed out in audit during 2001-2002. The department also accepted non-realisation of water rates in 3 cases involving Rs.4.31 crore. A few illustrative cases involving Rs.8.37 crore highlighting important audit observations are given in the following paragraphs:

A. MAJOR IRRIGATION

4.2 Non-realisation of water rates

Under the provision of the Assam Irrigation Act, 1983, water rate for water supplied or used for purposes of irrigation from any irrigation work of the State Government to any land under cultivation, which is beneficial to crops on such land, shall be assessed and realized by the Irrigation Officer.

Test check of records of 3* Irrigation Divisions (between April 2000 and September 2000) revealed that 2.15 lakh of hectares of land were irrigated for Kharif, Rabi and Early Ahu crops during 1994-95 to 2000-2001. Out of the realisable water rates of Rs.4.32 crore upto March 2001 an amount of Rs.0.11

* Executive Engineer, Itakhola Irrigation Division, Tezpur.; Executive Engineer, Irrigation Division, Karbi-Anglong, Diphu and Executive Engineer, Irrigation Division, Tinsukia.

lakh only was realised during the period from 1994-95 to 1998-99 leaving a balance of Rs.4.31 crore.

On this being pointed out the Government accepted the audit contention and stated (July 2002) that the efforts were made to collect the charges. However, report on realization is awaited (December 2002).

B. HEALTH AND FAMILY WELFARE

4.3 Irregular utilisation of departmental receipts towards departmental expenditure

As per provision contained in the Assam Treasury Rules, all money received by or tendered to Government servants on account of the revenue of the State, shall without undue delay be paid in full into treasury or into the Bank. Money so received shall not be appropriated to meet departmental expenditure.

Test check of records of 2 offices* revealed (August 2001 – September 2001) that the fees from patients amounting to Rs.2.94 crore pertaining to the period from April 1995 to August 2001, were collected and Rs.1.56 crore were credited into the Government account. Out of the balance amount of Rs.1.38 crore, Rs.1.32 crore were utilized between 1996-97 and 2000-01 towards departmental expenditure like traveling allowances and petrol oil and lubricant charges and Rs.0.06 crore was retained as cash in hand in violation of the provision of the Assam Treasury Rules.

The matter was reported to the department and the Government (January 2002 - February 2002); their reply has not been received (December 2002).

C. STATE EXCISE

4.4 Non-realisation of transport pass fee

Government of Assam in their Notification dated 12 May 1998 had fixed the rate of import permit fees/transport pass fees for import of IMFL to Assam at the rate of Rs.30/- per case with effect from 12 May 1998, payable in advance. The same rates of import permit fees/transport pass fee were also leviable for issue of passes for transport of IMFL manufactured in Assam.

Test check of the records of the Superintendent of Excise, Kamrup revealed (August 2001) that bonders lifted 293642 and 257036 cases of India Made Foreign Liquor from two manufacturing units viz. M/s North East Distilleries (P) Ltd. and M/s Karnark Distillery (P) Ltd. respectively during the period from July 2000 to June 2001, but no transport pass fee of Rs.1.65 crore was realized.

* The Superintendent, Assam Medical College Hospital, Dibrugarh and the Superintendent, Guwahati Medical College Hospital, Guwahati

Thus, due to issue of passes without realisation of transport pass fee, there was non-realization of revenue to the tune of Rs. 1.65 crore.

The matter was reported to the Government and the department (February 2002); their replies have not been received (December 2002).

4.5 Non-levy of excise duty

The Assam Bonded Warehouse Rules, 1965 does not allow godown loss in respect of India Made Foreign Liquor (IMFL).

During test check of records of Seven (7) warehouses under the jurisdiction of Superintendent of Excise, Guwahati and Dibrugarh, it was noticed (May 2001 - August 2001) that 10730.742 London Proof Litre (LPL) of IMFL and 1703.95 Bulk Litre (BL) of Beer were shown as godown loss during the period from March 2000 to April 2001, but no excise duty was levied thereon, which resulted in non-levy of excise duty of Rs.10.40 lakh.

On this being pointed out in audit the Superintendent of Excise, Dibrugarh accepted (March 2002) the audit objection. However, the realisation of the amount is awaited (December 2002).

The matter was reported to the department and the Government (September 2001- February 2002); their replies have not been received (December 2002).

D. TAXES ON MOTOR VEHICLES

4.6 Short levy/non-levy of fine

Under Section 194 of the Motor Vehicles (Amendment) Act, 1994, excess loading of goods vehicles shall be punishable with a minimum fine of two thousand rupees besides imposition of additional amount of one thousand rupees per tonne of excess load along with charges for off loading of the excess load.

A test check of the records of the Commissioner of Transport, Assam, revealed (June 2001) that the department during the period from January 1998 to February 2001 detected 131 goods vehicles carrying excess load. Out of these, in 70 cases, fine of Rs.1.29 lakh was realised against minimum realisable fine of Rs.2.16 lakh and in other 61 cases fine was not realized at all. The minimum fine payable in these cases amounted to Rs. 1.83 lakh. Thus, there was short/non-levy of fine of Rs.2.70 lakh.

The matter was reported to the department and the Government (November 2001); their reply has not been received (December 2002).

E. TAXES ON SPECIFIED LAND

4.7 Incorrect application of rate of tax

Under the Assam Taxation (on specified lands) Act, 1990, every tea estate owner is liable to pay tax on the quantity of green tea leaves produced in the estate where the aggregate area of Specified Land[#] exceeds forty hectares. The rate of tax is payable as specified from time to time.

Test check of assessment records of 2 sales tax unit offices revealed (February 2001 - September 2001) that in 3 cases where the area of land exceeded forty hectares, tax of Rs.2.26 lakh was short levied during 1997 and 1998 due to incorrect application of rate of tax by the concerned Assessing Officers.

On this being pointed out (February 2001 & August 2001), the Superintendent of Taxes, Sibsagar stated (May, 2002) that assessments have been revised and amount has been realized. However, reply from the Superintendent of Taxes, Goalpara has not yet been received (December 2002).

The matter was reported to the Government (June 2001 – March 2002); their replies have not been received (December 2002).

F. PROFESSIONS TAX

4.8 Non-realisation of professional tax and interest

Under the Assam Professions, Trades, Callings and Employments Taxation Act, 1947, every person, who carries on a trade, or who follows a profession or calling, or who is in employment, within the State is liable to pay for each financial year a tax at the prescribed rates. Further, as amended from April 1992, if a non-Government employer or an enrolled person fails to pay tax within due date, he shall be liable to pay simple interest at two per cent of the amount due for each month or part thereof for the period for which the tax remains unpaid.

Test check of the assessment records of the Superintendent of Taxes, Sibsagar revealed (September 2001) that in 4 cases professional tax of Rs.0.80 lakh for the period from 1989-90 to 2000-01 and interest of Rs.0.68 lakh for delay in payment/non-payment of tax ranging from 10 months to 106 months though leviable was not levied. This resulted in non-realisation of Government revenue of Rs.1.48 lakh.

The matter was reported to the department and the Government (March 2002); their replies have not been received (December 2002).

[#] Specified land means – any land used or intended to be used for growing tea and for purposes ancillary thereto or any part of land and refers to tea estates here.

G. LAND REVENUE

4.9 Retention of Cash in hand by Mouzadars

As per executive instructions issued under Notification dated 29 March 1996 no Mouzadar is allowed to retain cash in hand beyond Rs.10,000 (Rupees ten thousand). Subject to this limit the Mouzadars are required to remit into Treasury, the land revenue and local rates and other Government revenue collected by them. The Public Accounts Committee also recommended (in the 46th Report) that no mouza should be allowed to retain collected revenue beyond the permissible limit. The Committee further recommended that responsibility should be fixed on officers who are entrusted with the inspection of Mouza accounts to avoid irregular retention of cash in hand by the Mouzadars.

Test check of records of 98 Mouzas for the period from 1996-97 to 2000-2001 revealed that the Mouzadars retained an amount of Rs.86.09 lakh as cash in hand as on 31 March 2001 in excess of the allowable limit as detailed below :

| Sl. No. | Name of Districts | Number of Mouza | Total Collection as on 31 March 2001 (Rupees in lakh) | Total Deposit as on 31 March 2001 (Rupees in lakh) | Cash in hand with Mouzadars in excess of Rs.10,000/- as on 31 March 2001 (Rupees in lakh) |
|--------------|-------------------|-----------------|--|---|--|
| 1 | Barpeta | 13 | 115.37 | 101.19 | 12.88 |
| 2 | Morigaon | 16 | 101.28 | 73.56 | 26.12 |
| 3 | Nagaon | 23 | 98.32 | 68.91 | 27.11 |
| 4 | Jorhat | 17 | 112.33 | 100.82 | 9.81 |
| 5 | Dibrugarh | 13 | 76.01 | 68.49 | 6.22 |
| 6 | Sonitpur | 13 | 13.61 | 9.94 | 2.37 |
| 7 | Golaghat | 3 | 14.99 | 13.11 | 1.58 |
| Total | | 98 | 531.91 | 436.02 | 86.09 |

The above position indicated lack of control of the department over the Mouzadars resulting in blockade of a substantial amount of land revenue which tantamounted to temporary misappropriation of Government revenue. The Deputy Commissioners/Sub-Divisional Officers and Circle Officers (DC's/SDO's/CO's) also failed to undertake the required inspection and corrective measures in respect of the Mouza accounts. It was also violative of the recommendation made in the 46th Report of the PAC (May 1989).

On this being pointed out the department stated (July 2002) that the DC's/SDO's/CO's were instructed to take effective steps for collection and remittances of revenue. However, deposit of the amount to the treasury is awaited (December 2002).