

**CHAPTER – VI**  
**REVENUE RECEIPTS**

**ALL DEPARTMENTS**

**6.1 Trend of Revenue receipts**

6.1.1 The tax and non-tax revenue raised by the Government of Goa during the year 2000-01, State's share of divisible union taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding two years are given below:

**TABLE 6.1**

	1998-99	1999-2000	2000-01
(Rupees in crore)			
<b>I Revenue raised by the State Government</b>			
(a) Tax Revenue	357.21	458.48	514.80
(b) Non Tax Revenue	650.58	633.48	796.14
<b>TOTAL</b>	1007.79	1091.86	1310.94
<b>II Receipts from the Government of India</b>			
(a) State's share of divisible Union Tax	97.12	95.52	105.34
(b) Grants-in-aid	42.34	40.12	66.95
<b>TOTAL</b>	139.46	136.04	172.29
<b>III Total receipts of the State Government (I and II)</b>	1147.25	1227.90	1483.23
<b>IV Percentage of I to III</b>	88	88	88

6.1.2 The details of the tax revenue raised under major heads of revenue during the year 2000-01 along with corresponding figures for the preceding two years are given below:

**TABLE 6.2**

Sr. No.	Head of Revenue	1998-99	1999-2000	2000-01	Percentage of increase (+)/ decrease (-) in 2000-01 over 1999-2000
(Rupees in crore)					
1.	Sales Tax	254.22	348.18	387.82	(+) 11
2.	State Excise	35.17	36.06	38.98	(+) 8

3.	Taxes on Vehicles	24.45	28.32	29.92	(+) 6
4.	Taxes on goods and passengers	3.83	3.95	13.07	(+) 231
5.	Other taxes and duties on commodities and services	18.93	18.61	20.10	(+) 8
6.	Stamp duty and Registration fees	16.57	18.13	21.91	(+) 21
7.	Land Revenue	4.04	5.23	3.00	(-) 43
<b>TOTAL</b>		<b>357.21</b>	<b>458.48</b>	<b>514.80</b>	

- (a) The increase in taxes on goods and passengers was mainly due to imposition of new tax under “Tax on entry of goods into local areas”.
- (b) The increase in “Stamp Duty and Registration Fee” was due to sale of more stamps.
- (c) The decrease in Land Revenue was due to less receipts under “receipts on account of survey and settlement operations”

6.1.3 The details of non-tax revenue raised under major heads of revenue during 2000-2001 along with the corresponding figures for the preceding years are given below:

**TABLE 6.3**

Sr. No.	Head of Revenue	1998-99	1999-2000	2000-01	Percentage of increase (+)/ decrease (-) in 2000-01 over 1999-2000
(Rupees in crore)					
1.	Miscellaneous General Services	311.14	257.49	380.58	(+) 48
2.	Power	259.22	291.23	330.66	(+) 14
3.	Water Supply and Sanitation	41.19	40.20	43.59	(+) 8
4.	Non-Ferrous mining and Metallurgical industries	12.02	12.59	15.97	(+) 27
5.	Roads and bridges	2.06	4.89	3.81	(-) 22
6.	Medical and Public Health	4.45	3.74	4.77	(+) 28
7.	Ports and lighthouses	2.36	2.43	3.35	(+) 38
8.	Inland water transport	3.93	1.69	3.17	(+) 88
9.	Others	14.21	19.12	10.24	(-) 46
<b>TOTAL</b>		<b>650.58</b>	<b>633.38</b>	<b>796.14</b>	

6.1.4 The reasons for variation in receipts during 2000-01 as compared to those in 1999-2000 are given below:

#### Miscellaneous General Services

Increase was due to more receipts under “State Lotteries”; whereas the decrease during 1999-2000 was due to discontinuation of sale of lottery tickets with effect from November 1999.

#### Power

Increase in power was due to revision of electricity tariff

#### Non-ferrous mining and metallurgical industries

Increase was due to revision of water tariff

#### Water Supply and sanitation

Increase was mainly due to more receipts from Urban Water Supply Scheme.

## 6.2 Variations between budget estimates and actual

6.2.1 The variations between budget estimates of revenue and actual receipts under some of the principals heads are given below:

**TABLE 6.4**

Sr. No.	Head of Revenue	Budget estimate	Actual	Variation Increase(+) Shortfall(-)	Percentage of variation
		(Rupees in crore)			
	<b>Tax Revenue</b>				
1.	Taxes on Goods and passengers	6.00	13.07	(+) 7.07	(+) 118
	<b>Non-Tax Revenue</b>				
2.	Interest receipts	4.00	2.84	(-) 1.16	(+) 29
3.	Dividend and profit	0.81	0.24	(-) 0.57	(-) 70
4.	Public Works	0.75	1.13	(+) 0.38	(+) 51
5.	Miscellaneous General services	569.91	380.58	(-)189.33	(-) 33
6.	Water supply and sanitation	51.00	43.59	(-) 7.41	(-) 14

7.	Power	373.00	330.66	(-) 42.34	(-) 11
8.	Non ferrous mining and metallurgical industries	12.04	15.97	(+) 3.93	(+) 33

6.2.2 Taxes on goods and passengers, the increase was due to imposition of new tax "Tax on entry of goods in Local areas".

The reasons for variations in the other head of accounts are awaited.

### 6.3 Cost of collection

6.3.1 The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 1998-99, 1999-2000 and 2000-01 along with the relevant All India Average percentage of expenditure for 1999-2000 are given below:

**TABLE 6.5**

Sr. No.	Head of Revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India Average Percentage for the year 1999-2000
			(Rupees in crore)			
1.	Sales Tax	1998-99	254.22	1.98	0.80	1.56
		1999-00	348.18	2.18	0.70	
		2000-01	387.82	2.22	0.57	
2.	State Excise	1998-99	35.17	1.82	5.10	3.31
		1999-00	36.06	1.86	5.15	
		2000-01	38.98	2.13	5.46	
3.	Taxes on vehicles	1998-99	24.45	0.66	2.70	3.56
		1999-00	28.32	0.71	2.50	
		2000-01	29.92	0.76	2.54	
4.	Stamp duty and Registration Fees	1998-99	16.57	1.14	7.00	4.62
		1999-00	18.13	1.22	7.00	
		2000-01	21.91	1.27	5.80	

6.3.2 The reasons for increase in percentage of expenditure to gross collection of State Excise, Stamp Duty and Registration Fees are awaited.

### 6.4 Arrears of Revenue

As on 31 March 2001 arrears of revenue as reported by the heads of departments were as follows:

TABLE 6.6

Head of Revenue	Amount of arrears as on 31 <sup>st</sup> March 2001	Arrears more than three years old	Remarks
(Rupees in lakh)			
<b>Finance Department</b>			
Sales Tax	6042.75	1381.36	Out of Rs. 6042.75 lakh demands of Rs.2254.38 lakh were covered under recovery certificates in 2751 cases. No other action was taken in respect of balance cases. Out of 16.32 lakh an amount of Rs.0.33 lakh was covered under recovery certificate in 2 cases. In respect of balance cases, notices have been issued.
Excise	16.32	--	
<b>Transport</b>			
Taxes on vehicles	518.93	179.33	Recovery is proposed to be effected by issuing show cause notice.
<b>Power Department</b>			
Energy charges	12199.34	Details not furnished by the department	Out of Rs.12199.33 lakh an amount of Rs.6817.96 lakh was covered under recovery certificate in 2954 cases. In respect of balance cases the department has proposed the following steps: i) To declare one month of each financial year as arrears clearing month. ii) The street light arrears to be adjusted against the matching grants released to the concerned Municipalities and Panchayats every year. iii) Govt. departments have been strictly instructed to clear the arrears. iv) To disconnect the installation if payments are not made within the stipulated date/ reasonable period.

<b>Industries and Mines</b>			
Royalty, surface rent	122.42	51.81	Out of Rs.122.42 lakh an amount of Rs.29.94 lakh was covered under recovery certificate in 279 cases. In respect of balance cases renewal of mining leases will be rejected if arrears are not paid.
<b>Water Resource Department</b>			
Water tax	1590.64	984.03	Out of Rs.1590.64 lakh an amount of Rs.3.49 lakh was covered under recovery certificate in 184 cases.
<b>Revenue Department</b>			
Land Tax	36.41	29.15	Mamlatdars have been directed to initiate action on priority basis.
<b>TOTAL</b>	<b>20526.81</b>	<b>2625.68</b>	

## 6.5 Outstanding inspection reports and audit observations

6.5.1 Audit observations on incorrect assessment, short levy of taxes, fees etc. as also defects in initial records noticed in audit and not settled on the spot are communicated to the head of offices and to the departmental authorities through inspection reports. Important and serious irregularities are reported to the heads of departments and Government also. In addition, statement indicating number of observations outstanding over six months are sent to Government for expediting their settlement. Government had prescribed a time limit of one month for furnishing replies to audit observations.

6.5.2 86 Inspection reports issued upto the end of December 2000 containing 151 audit observations involving Rs. 2.51 lakh were to be settled at the end of June 2001 as indicated below along with the corresponding figures for the two preceding years.

**TABLE 6.7**

	As at end of		
	June 1999	June 2000	June 2001
Number of outstanding inspection report	93	84	86
Number of outstanding audit observations	213	166	151

6.5.3 Out of 86 outstanding reports pending settlement even first replies have not been received (June 2001) for 31 inspection reports containing 49 audit observations. The receipt-wise details of inspection reports and audit

observations outstanding as on 30<sup>th</sup> June 2001 and the amount involved is are indicated below:

**TABLE 6.8**

Department	Receipt	Number of outstanding inspection reports	Number of outstanding audit observations	Amount (Rupees in crore)
Finance	Sales Tax, Luxury Tax, Excise and Entertainment Tax	48	84	0.95
Revenue	Stamp and Registration Fee	33	60	1.52
Transport	Transport	5	7	0.04
<b>TOTAL</b>		<b>86</b>	<b>151</b>	<b>2.51</b>

The matter was also brought to the notice of Government (August 2001). Information regarding steps taken by the Government to clear the outstanding inspection reports and audit observations has not been received.

**SECTION-B : PARAGRAPHS**

**FINANCE DEPARTMENT**

**6.6 Non-recovery of establishment expenses**

6.6.1 Under provisions of the Goa Excise Duty Rules 1964, the Commissioner of Excise shall assign the excise staff for supervision and to assist the working of distillery, brewery or winery and in lieu of service rendered by Excise Staff, a fee corresponding to the pay and allowances, contribution towards pension and leave salary or any such benefit of the excise staff shall be payable by the distillery, brewery or winery by depositing the said amount into Government accounts at the end of every month or within such time as directed by the Commissioner.

6.6.2 It was noticed in audit (March 2001) that an amount of Rs.7.04 lakh towards pay and allowances and contribution towards pension and leave salary of the excise staff posted at 14 distilleries/breweries/wineries for the period from January 1995 to February 2001 were yet to be deposited by these units.

6.6.3 The department stated (March 2001) that these units have been directed (March 2001) to pay the dues.

6.6.4 The matter was referred to Government (June 2001). The Government stated (July 2001) that action was being taken to refer these cases to Revenue Recovery Court.

**6.7 Loss of Luxury Tax**

6.7.1 As per Section 2(p) of the Goa Taxes on Luxuries (Hotel and Lodging Houses) Act, 1988 "turnover of receipts" means the aggregate amount of monetary considerations received or receivable by a hotelier in respect of the luxuries provided in a hotel during a given period.

6.7.2 The assessment of a hotelier (Cidade De Goa) at Dona Paula for the year 1996-97 was completed in November 1998 and the total taxable turnover of receipts was assessed at Rs.9.52 crore. The total tax, penalty and interest levied were Rs.154.78 lakh and after adjusting the tax already paid (Rs.152.56 lakh), the net due was assessed at Rs.2.22 lakh and the dues were payable by 24 December 1999. The hotelier did not pay the assessed tax and submitted an application on 15 March 2000, for settlement of arrears under Goa Sales Tax, Luxury Tax and Entertainment Tax (Settlement of Arrears) Ordinance 2000. The department assessed the dues payable under the settlement scheme at Rs.0.67 lakh and this amount was paid by the hotelier on 30<sup>th</sup> March 2000.



6.7.3 Audit scrutiny (May 2001) revealed that while finalizing (November 1998) assessment of the hotelier, an amount of Rs.17.46 lakh being “retention charges of cancellation of rooms” was not included in the turnover of receipts for assessment of luxury tax. This resulted in a loss of luxury tax amounting to Rs.2.62 lakh as the case decided under settlement scheme shall not be reopened. The department did not furnish reply to the point.

6.7.4 The matter was referred to the Government in August 2001; their reply has not been received (September 2001).

## TRANSPORT DEPARTMENT

### **6.8 Non-realisation of revenue due to non-deposit of bank drafts to Government Accounts.**

#### **Loss/non-realisation of revenue due to non-depositing of 203 demand drafts in bank; amount involved in 98 drafts Rs.2.15 lakh.**

6.8.1 The Transport Department of Government of Goa receives bank drafts from other States on account of composite fee/tax paid by the vehicle owners authorised to ply their vehicles in Goa under National Permit Scheme. These bank drafts are required to be deposited into Treasury/Bank and accounted for in Government account without undue delay.

6.8.2 A test check of records in December 2000 revealed that 203 bank drafts received during the period 1997-98 to 2000-01 (upto 6<sup>th</sup> April 2000) were not deposited within validity period and had become time barred. Though these drafts had been sent back for revalidation to the concerned State Transport Authorities, none of the drafts were received back after revalidation (September 2001). The amount involved in 98 out of 203 drafts was Rs.2.15 lakh and amounts pertaining to remaining 105 drafts was not available on record.

6.8.3 The matter was referred to the Government (June 2001) and their reply has not been received (September 2001).