

CHAPTER-IV: TAXES ON VEHICLES, GOODS AND PASSENGERS

4.1 Results of audit

Test check of records of the departmental offices, conducted during the year 2004-2005, revealed non/short realisation of tax and other irregularities amounting to Rs. 24.13 crore in 272 cases, which broadly fall under the following categories:-

(Rupees in crore)

		Number of cases	Amount
1.	Non/ short realisation of		
	(i) Token tax	54	0.29
	(ii) Passengers and Goods Tax	2	0.36
2.	Evasion of		
	(i) Token Tax	76	1.41
	(ii) Passengers and Goods Tax	14	0.23
3.	Other irregularities		
	(i) Vehicles Tax	101	21.03
	(ii) Passengers and Goods Tax	25	0.81
	Total	272	24.13

During 2004-05, the Department accepted under assessments of Rs. 1.29 crore involved in 24 cases which had been pointed out in audit in earlier years. A few illustrative cases highlighting important observations involving financial effect of Rs. 0.77 crore are given in the following paragraphs.

4.2 Non recovery of token tax

Under the Himachal Pradesh Motor Vehicles Taxation Act, 1972 and Rules made thereunder, token tax is payable in advance and is collected quarterly or annually in the prescribed manner. If an owner of a registered vehicle defaults in making payment of token tax, the taxation authority may direct him to deposit in addition to the arrears of token tax, penalty not exceeding the annual tax payable or twice the amount of tax due, whichever is higher.

During test check of the records of State Transport Authority, Shimla and Registering and Licensing Authority (RLA), Shimla (Urban) it was noticed in November 2004 that in 111 cases, token tax amounting to Rs.10.29 lakh for the years 2002-2003 and 2003-2004 was neither deposited by the vehicle owners nor had the taxation authorities taken any action to recover the same. There was nothing on record to show that vehicles were off the road or had paid tax in any other RLA. This resulted in non recovery of token tax of Rs.10.29 lakh. For non payment of token tax, penalty of Rs.20.58 lakh was leviable.

After this was pointed out in audit, the concerned taxation authorities stated that notices were being issued to the owners of the vehicles. Further report had not been received (September 2005).

The matter was reported to the Department/ Government in December 2004; their replies had not been received (September 2005).

4.3 Non levy of special registration fee

Under the Himachal Pradesh Motor Vehicles (Amendment) Rules, 2001, for the allotment of registration marks of choice, special registration fee was leviable with effect from 10 August 2001, at the prescribed rates in addition to registration fee prescribed under Central Motor Vehicles Rules, 1989. Special registration fee for allotment of registration numbers between 0101 to 9999 was Rs. 2,500 per vehicle with effect from June 2002. In September 2003, Principal Secretary, Transport, Government of Himachal Pradesh bifurcated the numbers of choice for registration of vehicles. Registration numbers from 001 to 0200 were to be allotted to personal vehicles while from 0201 to 7500 to goods vehicles.

4.3.1 During audit of the records of RLAs, Manali and Una, it was noticed between December 2004 and February 2005 that special registration fee amounting to Rs.3.15 lakh was not realised from personal vehicle owners for the period September 2003 to August 2004 on allotment of special registration marks between 0101 to 200 in 126 cases. This resulted in non realisation of revenue to that extent.

4.3.2 In RLAs Manali and Kangra, it was noticed between December 2004 and January 2005 that in 528 cases, serial numbers earmarked for goods

carriage vehicles between serial nos. 0201 to 0748 were allotted to personal vehicles between September 2003 and November 2004 without recovery of special registration fee. Consequently, the Government was deprived of revenue of Rs.13.20 lakh. This was also in contravention of the instructions of Principal Secretary, Transport.

After these cases were pointed out in audit, RLA Una stated that due to late receipt of instructions, compliance in the matter could not be made in time. The RLAs Manali and Kangra stated that notices would be issued to the vehicle owners for recovery of special registration fee. However, further action taken to recover the amount had not been received.

The cases were reported to the Department/ Government between January and March 2005; their replies had not been received (September 2005).

4.4 Short recovery of fee

Under the Central Motor Vehicle Rules, 1989, driving license is renewable at specified rates which was revised by the Government of India from Rs. 30 to Rs. 100 with effect from 10 September 2003.

During audit of the records of RLA Kangra and Manali, it was noticed between December 2004 and January 2005 that the Director, Transport, Himachal Pradesh circulated the revised rates for renewal of driving license fee in December 2003 i.e. after three months of receipt of notification from Government of India. Driving license fee was, however, levied at pre revised rate between December 2003 and March 2004 in 2,868 cases which resulted in short recovery of Rs.2.01 lakh.

After this was pointed out in audit, the concerned taxation authorities stated that notices would be issued to the vehicle owners to effect the recovery.

The matter was reported to the Department/Government in January-February 2005; their replies had not been received (September 2005).

4.5 Vehicles not registered with the Excise and Taxation Department

Under Himachal Pradesh Passengers and Goods Taxation Act, (HPPGT Act) 1955 and Rules made thereunder, owners of stage/contract carriages and goods carriers are required to register their vehicles with the concerned Excise and Taxation Officers and pay passenger tax and goods tax at the prescribed rates. Administrative instructions (December 1984) also provide that Excise and Taxation Department shall take suitable measures to ensure registration of all vehicles under the HPPGT Act and for that purpose maintain close co-ordination with RLAs. For failure to apply for registration, penalty not exceeding five times the amount of tax so assessed, subject to a minimum of Rs. 500 is also leviable.

During test check of the records of eight* AETCs, it was noticed between July 2004 and March 2005 that 992 vehicles registered with concerned RLAs and Regional Transport Officers (RTOs) were not registered with the Excise and Taxation Department under the HPPGT Act. As a result, tax amounting to Rs. 22.36 lakh for the period between March 2003 to March 2004, was not paid by the owners of the vehicles. A minimum penalty of Rs. 4.96 lakh was also leviable.

After this was pointed out in audit, the AETCs stated between July 2004 and March 2005 that action would be taken to register the vehicles. However, the reply was silent about the realisation of tax and penalty. Further reply was awaited (September 2005).

The matter was reported to the Department and to the Government between August 2004 and April 2005; their replies had not been received (September 2005).

* Hamirpur, Kangra , Kullu,, Mandi, Nahan, Shimla, Solan and Una