
Overview

This Report contains 21 paragraphs including one review, relating to non/short levy/loss of tax involving Rs 29.23 crore. Some of the major findings are mentioned below.

I. General

During the year 2005-06, Government of Kerala raised a total revenue of Rs10,715.40 crore comprising tax revenue of Rs 9,778.62 crore and non tax revenue of Rs 936.78 crore. The State Government received Rs 2,518.20 crore by way of State's share of divisible Union taxes and duties and Rs 2,060.93 crore as grants in aid from Government of India. Sales tax (Rs 7,037.97 crore) formed major portion (72 per cent) of the tax revenue of the State. Receipts from Forestry and Wild Life (Rs 189.63 crore) formed the major portion (20 per cent) of non tax revenue. Compared to the previous year, the total revenue raised by the State Government registered an increase of 10 per cent, the State's share of divisible Union taxes and duties registered an increase of five per cent and grants in aid from Government of India recorded an increase of 57 per cent during 2005-06.

(Paragraph 1.1)

Test check of records of the departments of commercial tax, State excise, land revenue, motor vehicles, registration, forest, etc., conducted during 2005-06, revealed underassessments /short levy of revenue aggregating to Rs 128.46 crore in 1,378 cases. During the course of the year 2005-06, the departments concerned accepted underassessments, etc., of Rs 5.98 crore involved in 670 cases of which 102 cases involving Rs1.14 crore were pointed out in audit during 2005-06 and the rest in earlier years.

(Paragraph 1.11)

Out of inspection reports issued up to the end of December 2005 there were 1,813 outstanding reports containing 7,652 audit observations involving Rs 454.24 crore as at the end of June 2006 for want of final replies from the departments.

(Paragraph 1.12.1)

II. Sales Tax

Underassessment of turnover in six cases resulted in short levy of tax of Rs 1.32 crore.

(Paragraph 2.2)

Incorrect grant of exemption in nine cases resulted in short levy of tax of Rs 16.02 crore.

(Paragraph 2.3)

Application of incorrect rate of tax resulted in short levy of tax of Rs 55.17 lakh in 13 cases.

(Paragraph 2.4)

Interest of Rs 7.15 crore accrued as a result of delay/non payment of tax/surcharge was short/not demanded in 34 cases.

(Paragraph 2.5)

Non liquidation of interest first resulted in short realisation of tax /interest of Rs 38.95 lakh in 20 cases.

(Paragraph 2.9)

III. Land Revenue and Building Tax

Review on “*Lease of land by Land Revenue Department*” revealed the following:

- *In 803 cases, leases under RALMCA (effective from 1995 onwards) have not been revised.*

(Paragraph 3.2.6.2)

- *Department failed to resume land in 288 cases where lessees did not apply for fresh leases from 1995-96 to 2001-02.*

(Paragraph 3.2.8)

- *Additional fine of Rs 15.36 crore for continued unauthorised occupation of Government land was not imposed in 526 cases.*

(Paragraph 3.2.9)

Collection charges of Rs 1.27 crore for recovery of arrears were not demanded from defaulters in 26 offices.

(Paragraph 3.3)

IV. Taxes on Vehicles

Tax and additional tax of Rs 23.16 lakh were not demanded from 117 vehicle owners.

(Paragraph 4.2)

V. Other Tax Receipts

A. State Excise

Gallonage fee of Rs 1.26 crore was short demanded from one FL9 licensee.

(Paragraph 5.2)

B. Stamp duty and Registration fees

Stamp duty and registration fee of Rs 30.33 lakh was short demanded on 361 instruments of conveyance.

(Paragraph 5.4)