

Overview

This Report contains 35 paragraphs including two reviews relating to non/short levy of taxes, duties, interest and penalty, etc., involving Rs 1,332.03 crore. Some of the major findings are mentioned below:

1. General

- Total receipts of the State during the year 2005-06 amounted to Rs 47,671.16 crore, of which revenue raised by the State Government was Rs 38,708.16 crore and receipts from the Government of India were Rs 8,963 crore. The revenue raised constituted 81 *per cent* of the total receipts of the State. The receipts from the Government of India included Rs 4,982 crore on account of the State's share of divisible Union taxes and Rs 3,981 crore as grants in aid and registered an increase of 38.58 *per cent* and 47.79 *per cent* respectively over 2004-05.

{Paragraph 1.1}

- At the end of 2005-06, arrears in respect of some taxes administered by the departments of Finance and Home amounted to Rs 15,236.56 crore, of which sales tax etc., alone accounted for Rs 15,226.79 crore.

{Paragraph 1.6}

- In respect of the taxes administered by the Finance Department, such as sales tax, motor spirit tax, profession tax, purchase tax on sugarcane, entry tax, lease tax, luxury tax and tax on works contracts etc., 4.31 lakh assessments were completed during 2005-06, leaving a balance of 44.19 lakh assessments as on 31 March 2006.

{Paragraph 1.7}

- Test check of records of sales tax, State excise, motor vehicles tax, stamp duty and registration fees, land revenue and other departmental offices conducted during the year 2005-06 revealed underassessment, short levy and loss of revenue, etc., amounting to Rs 1,607.49 crore in 11,296 cases. The departments concerned accepted underassessment, short levy, etc., of Rs 27.74 crore in 4,873 cases pointed out in 2005-06 and earlier years and recovered Rs 21.18 crore.

{Paragraph 1.11}

- At the end of June 2006, 13,113 paragraphs involving Rs 1,072.83 crore relating to 5,244 inspection reports issued upto 31 December 2005 remained outstanding.

{Paragraph 1.12}

2. Sales Tax

- Non/short accountal of goods, incorrect claims for concessional rate of tax and claims supported by bogus/invalid declarations relating to interstate sales of Rs 12.55 crore resulted in underassessment of Rs 2.09 crore.

{Paragraph 2.2.3}

- Incorrect allowance of deduction of interstate sales as sales in the course of transit without supporting prescribed declarations resulted in underassessment of Rs 1.32 crore.

{Paragraph 2.3}

- Due to application of incorrect rate of tax, incorrect exemption, incorrect levy of concessional rate of tax and incorrect deduction from the turnover of sales, there was underassessment of tax of Rs 6.27 crore.

{Paragraph 2.7}

- Non/short levy of turnover tax/additional tax resulted in underassessment of Rs 1.02 crore.

{Paragraph 2.8}

- Incorrect grant of set off under various provisions of Act resulted in underassessment of Rs 1.58 crore.

{Paragraph 2.9}

3. Stamp Duty and Registration Fees

- Due to misclassification of instruments of conveyance, power of attorney, transfer of development rights and transfer of lease, there was short levy of stamp duty of Rs 59.06 crore.

{Paragraph 3.2}

4. Land Revenue

- Review on ‘**Encroachment on Government Land in Urban Areas**’ revealed the following:

Government share of Rs 20.47 crore on account of consolidated charges was not realised.

{Paragraph 4.2.12}

Penal occupancy price of Rs 20.41 crore was not levied in two cases of unauthorised retention of Government land.

{Paragraph 4.2.13}

5. Other Tax Receipts

- Non remittance of repairs and reconstruction cess collected by the Brihan Mumbai Municipal Corporation (BMC) into the Government account amounted to Rs 38.28 crore.

{Paragraph 5.2.2}

- Non prescription of the rate of cess for enhanced cost of repairs by the Mumbai Repairs and Reconstruction Board resulted in foregoing of revenue of Rs 27.18 crore at proposed rates.

{Paragraph 5.2.4}

- Short/non remittance of education and employment guarantee cess collected by BMC, Nagpur and Pune Municipal Corporations into the Government account amounted to Rs 19.77 crore.

{Paragraph 5.5}

- Non remittance of tax on buildings (with larger residential premises) collected by BMC, Pune and Solapur Municipal Corporations amounted to Rs 3.52 crore.

{Paragraph 5.6}

- Interest of Rs 73.15 crore was not levied and demanded from the Maharashtra State Electricity Board for delay in remittance of electricity duty collected between August 2005 and March 2006.

{Paragraph 5.8}

6. Non Tax Receipts

- Review on ‘Levy and Collection of Mineral Receipts’ revealed the following:

Failure to adhere to the norms for inspections indicated lack of proper monitoring and internal control.

{Paragraph 6.2.9.1}

Non functioning of Central Flying Squad in the Directorate of Geology and Mining upto 2003-04 and non functioning in the Deputy Director offices indicated inadequate vigilance on mining activities in the State.

{Paragraph 6.2.9.2}

Irregular adjustment of royalty towards surface rent resulted in short recovery of royalty of Rs 2.92 crore.

{Paragraph 6.2.10}

Non/short recovery of royalty resulted in non realisation of Rs 13.37 crore.

{Paragraphs 6.2.11 & 6.2.15}

Interest of Rs 2.53 crore was not levied on belated payments of royalty.

{Paragraph 6.2.12}

Penalty of Rs 796.53 crore for illicit extraction of minor minerals by five irrigation development corporations was not levied and demanded.

{Paragraph 6.2.14.1}

- Guarantee fees of Rs 222.21 crore was not paid by seven corporations and an autonomous body for various periods between April 2003 and April 2006.

{Paragraph 6.3}

- Failure to collect in advance the cost of police force supplied to the Aurangabad Municipal Corporation amounted to Rs 1.39 crore for the period from April 2000 to November 2005.

{Paragraph 6.4}

- The Godavari Marathwada Irrigation Development Corporation, Aurangabad unauthorisedly retained cess on water charges of Rs 32.28 crore, collected on supply of water from irrigation projects without crediting it to Government account.

{Paragraph 6.5}