

CHAPTER - VI REVENUE RECEIPTS

SECTION: B

6.1 Trend of revenue receipts

The total receipts of the Government of Nagaland for the year 1999-2000 were Rs.1,131.46 crore. Of these, revenue raised by the State Government was Rs.78.36 crore, comprising Rs.39.50 crore from tax revenue, and the balance Rs.38.86 crore from non-tax revenue. The receipts from Government of India amounting to Rs.1,053.10 crore accounted for 93 *per cent* of the total receipts.

6.2 Analysis of revenue receipts

(a) General

A time series analysis of the receipts for the years 1997-2000 is given below:-

(Rupees in lakh)

		1997-98	1998-99	1999-2000
I.	Revenue raised by the State Government			
	(a) Tax revenue	3,157.31	3,056.36	3,949.60
	(b) Non-tax revenue	2,752.20	4,414.93	3,886.59
	Total: I	5,909.51	7,471.29	7,836.19
II.	Receipts from Government of India			
	(a) State's share of divisible Union Taxes	38,081.00	43,719.00	52,604.00
	(b) Grants-in-aid	42,108.49	47,748.16	52,706.25
	Total: II	80,189.49	91,467.16	1,05,310.25
III.	Total receipts of the State (I plus II)	86,099.00	98,938.45	1,13,146.44
IV.	Percentage of I to III	7	8	7

(b) Tax revenue raised by the State

Receipts from tax revenue (Rs.39.50 crore), during the year 1999-2000, constituted 50 *per cent* of the State's own revenue receipts (Rs.78.36 crore). Details of tax revenue for the year 1999-2000, and the preceding two years, are given below:

	1997-98	1998-99	1999-2000	Percentage of Increase (+)/ Decrease (-) in 1999-2000 with reference to 1998-99
	(Rupees in lakh)			

1.	Sales Tax	1,652.00	1,609.88	2,304.50	(+) 43
2.	Taxes on Vehicles	386.21	437.01	458.83	(+) 5
3.	Other Taxes on Income and Expenditure	518.30	602.27	786.55	(+) 31
4.	State Excise	210.13	188.58	172.89	(-) 8
5.	Stamps and Registration Fees	366.00	194.04	185.13	(-) 5
6.	Other Taxes and Duties on Commodities and Services	15.50	11.56	15.29	(+) 32
7.	Land Revenue	8.46	12.19	25.68	(+) 111
8.	Taxes and Duties on Electricity	0.71	0.83	0.70	(-) 16
		3,157.31	3,056.36	3,949.57	

Reasons for variations in receipts during 1999-2000, compared to 1998-99, have not been intimated by the concerned departments (February 2001).

(c) Non-tax revenue of the State

Receipts from non-tax revenue (Rs.38.86 crore), during the year 1999-2000, constituted 50 per cent of the revenue raised by the State. Details of non-tax revenue under the principal heads for the year 1999-2000, and the preceding two years, are given below:-

		1997-98	1998-99	1999-2000	Percentage of Increase(+)/ Decrease(-) in 1999-2000 with reference to 1998-99
		(Rupees in lakh)			
1.	Interest Receipts	102.00	144.27	458.70	(+) 218
2.	Public Service Commission	2.22	3.82	2.54	(-) 34
3.	Police	26.37	20.87	14.56	(-) 30
4.	Stationery and Printing	0.88	0.35	0.67	(+) 91
5.	Public Works	56.82	13.88	32.14	(+) 132
6.	Other Administrative Services	26.46	327.85	610.70	(+) 86
7.	Contribution and recoveries towards Pension & ORB*	1.66	8.04	7.78	(-) 3
8.	Miscellaneous General Services	553.76	1,482.85	79.03	(-) 95
9.	Education, Sports, Arts and Culture	6.98	12.11	15.25	(+) 26
10.	Medical & Public Health	1.73	2.43	2.09	(-) 14

11.	Water Supply and Sanitation	21.11	17.60	32.89	(+) 87
12.	Housing	22.73	21.79	189.38	(+) 769
13.	Social Security and Welfare	11.76	0.05	0.50	(+) 900
14.	Crop Husbandry	3.83	3.18	3.39	(+) 7
15.	Animal Husbandry	13.59	10.21	20.55	(+) 101
16.	Forestry and Wildlife	125.79	305.11	169.77	(-) 44
17.	Food storage and Warehousing	14.42	1.88	7.54	(+) 301
18.	Co-operation	2.97	5.51	8.46	(+) 54
19.	Other Agricultural Programmes	7.79	3.93	3.05	(-) 22
20.	Minor Irrigation	1.91	0.08	0.35	(+) 338
21.	Power	1,458.16	1,721.36	1,785.14	(+) 4
22.	Village and Small Industries	15.07	10.37	14.02	(+) 35
23.	Non-ferrous Mining and Metallurgical Industries	11.01	3.10	1.27	(-) 59
24.	Road Transport	241.53	249.93	380.93	(+) 52
25.	Tourism	11.99	14.17	18.01	(+) 27
26.	Other General Economic Services	5.00	5.70	5.03	(-) 12
	Total:-	2,747.54	4,390.44	3,863.74	

* Other Retirement Benefits.

Reasons for increase/decrease have not been intimated by the concerned departments (February 2001).

6.3 Variations between Budget estimates and actuals

The major variations between Budget estimates and actual receipts under the major heads of revenue for the year 1999-2000 are given below:-

Major heads of revenue		Budget estimates	Actual receipts	Percentage of variations Increase (+)/ Decrease (-) of actuals over budget estimates
		(Rupees in lakh)		
(1)	(2)	(3)	(4)	
1.	Other taxes on Income and expenditure	670.00	786.55	(+) 17
2.	Stamps and Registration Fees	185.00	185.13	Negligible

3.	State Excise	210.00	172.89	(-) 18
4.	Sales Tax	2,754.00	2,304.50	(-) 16
5.	Taxes on Vehicles	455.00	458.83	(+) 1
6.	Other Taxes and Duties on Commodities and Services	16.00	15.29	(-) 4
7.	Interest Receipts	300.00	458.70	(+) 53
8.	Police	4.00	14.56	(+) 264
9.	Stationery and Printing	20.00	0.67	(-) 97
10.	Public Works	40.00	32.14	(-) 20
11.	Other Administrative Services	397.50	610.70	(+) 54
12.	Miscellaneous General Services	500.00	79.03	(-) 84
13.	Education, Sports, Art & Culture	25.00	15.25	(-) 39
14.	Medical and Public Health	9.00	2.09	(-) 77
15.	Water Supply and Sanitation	64.00	32.89	(-) 49
16.	Housing	453.86	189.38	(-) 58
17.	Social Security and Welfare	13.00	0.50	(-) 96
18.	Crop Husbandry	13.00	3.39	(-) 74
19.	Dairy Development	12.00	---	(-) 100
20.	Forestry & Wildlife	350.00	169.77	(-) 51
21.	Food, Storage and Warehousing	---	7.54	(+) 100
22.	Co-operation	2.00	8.46	(+) 323
23.	Other Agricultural Programmes	7.00	3.05	(-) 56
24.	Power	2,200.00	1,785.14	(-) 19
25.	Village and Small Industries	10.00	14.02	(+) 40
26.	Non-ferrous Mining and metallurgical Industries	5.00	1.27	(-) 75
27.	Road Transport	430.00	380.93	(-) 11

28.	Tourism	11.00	18.01	(+) 64
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Reasons for variations have not been intimated by the concerned departments (February 2001).

6.4 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on their collection, and the percentage of such expenditure to gross collections during the years 1997-98, 1998-99 and 1999-2000, along with the relevant all India average percentage of expenditure of collection to gross collections for the year 1997-98, are given below:-

Sl.No.	Revenue head	Year	Collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage of collection for the year 1997-98
			(Rupees in lakh)			
1.	Sales Tax	1997-98	1,652.00	205.25	12	1.28
		1998-99	1,609.88	216.84	13	
		1999-2000	2,304.50	233.78	10	
2.	State Excise	1997-98	210.13	257.91	123*	3.20
		1998-99	188.58	333.45	177*	
		1999-2000	172.89	349.20	202*	
3.	Taxes on Vehicles	1997-98	386.21	123.68	32	2.65
		1998-99	437.01	103.62	24	
		1999-2000	458.83	126.86	28	
4.	Stamps and Registration Fees	1997-98	366.00	0.11	@	3.14
		1998-99	194.04	10.99	6	
		1999-2000	185.13	9.55	5	

* Expenditure is more than the collection under State Excise, mainly due to excess establishment charges, and imposition of ban on sale of liquor in the State.

@ Below 1 per cent

HOME (POLICE)/WORKS AND HOUSING DEPARTMENTS

6.5 Non-realisation of sales tax

Non-realisation of sales tax from local supplier resulted in loss of Rs.1.11 lakh

(A) According to the Nagaland Sales Tax (NST) Act, 1967 (as amended) and Rules framed thereunder, Drawing and Disbursing Officers shall deduct at source, and remit to the treasury, the tax payable goods supplied by a dealer to the State or Central Government.

Test check (August 1999) of the records for the period from July 1996 to July 1999 of the Deputy Inspector General of Wireless (DIGW), Kohima, revealed that DIGW procured (December 1998) clothing and equipment valued at Rs.14.98 lakh (including Sales Tax) from a local supplier (M/s Mar Ao, Dimapur. Total amount paid: Rs.14.98 lakh (including Sales Tax)), and paid (December 1998) the entire amount of Rs.14.98 lakh to the supplier, without deducting sales tax of Rs.1.11 lakh (8 *per cent* of Rs.13.89 lakh) from the bills of the supplier, in contravention of the aforesaid act.

Non-realisation of sales tax from local supplier resulted in loss of Rs.2.99 lakh

(B) The Executive Engineer, Public Works Department (Roads and Bridges), Mechanical Division No.1, Kohima, purchased 22 vehicles from two local firms ((1) M/s Progressive Motors, Dimapur: Rs.38.01 lakh (2) M/s Dimapur Diesels: Rs.39.81 lakh) between December 1996 and April 1998, at a cost of Rs.77.82 lakh. Though the DDO was required to deduct the sales tax at source, but the Executive Engineer while making payment did not deduct same at the rate of 4 *per cent*. This resulted in a loss of revenue of Rs.2.99 lakh.

The above cases were reported to the Department and Government in November 1999 and February 2000; their replies have not been received (February 2001).

FINANCE DEPARTMENT

6.6 Non-levy of turnover tax

Non-levy of turnover tax resulted in loss of revenue of Rs.8.45 lakh

As per the Nagaland Sales Tax Act (NST), 1967, (as amended) where gross turnover during any year exceeds rupees 5 lakh, the dealer shall, in addition to any other taxes payable either under the Act or otherwise, be liable to pay turnover tax at the rate of 1 *per cent* of gross turnover, if it exceeds Rs.5 lakh, and at the rate of 1½ *per cent* if it exceeds Rs.10 lakh.

Test check (September 1999) of records of the Assistant Commissioner of Taxes, Kohima for the period from May 1996 to August 1999 revealed that, in the cases of six assesseees, the turnover tax as above were not levied, though the gross turnover of the assesseees had exceeded the prescribed limit. This resulted in loss of revenue of Rs.8.45 lakh.

The above cases were reported to the Department and Government in September 1999; their replies have not been received (February 2001).