

CHAPTER-III: TAXES ON MOTOR VEHICLES

3.1 Results of audit

Test check of the records in the offices of the Transport Department conducted during the year 2006-07 revealed short realisation of taxes, fees and penalty etc. amounting to Rs. 24.92 crore in 7,354 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
1.	Non/short payment of tax, penalty, interest and compounding fees	6,792	23.97
2.	Non/short computation of MVT/special road tax	335	0.88
3.	Other irregularities	227	0.07
Total		7,354	24.92

During the year 2006-07, the department accepted non/short computation of road tax, special road tax etc. in 6,937 cases involving Rs. 13.11 crore of which 2,612 cases involving Rs. 5.55 crore had been pointed out in audit during the year 2006-07 and the rest in the earlier years. Further, the department recovered Rs. 62.38 lakh in 367 cases of which 264 cases involving Rs. 36.11 lakh were pointed out in audit during the year 2006-07 and the rest in earlier years.

A few illustrative cases involving revenue of Rs. 7.23 crore highlighting important audit findings are mentioned in the succeeding paragraphs.

3.2 Non/short realisation of motor vehicles tax and special road tax in respect of goods vehicles

Under the Rajasthan Motor Vehicles Taxation (RMVT) Act, 1951 and the Rules made thereunder, motor vehicles tax shall be levied and collected on all motor vehicles used or kept for use in the state at the rates prescribed by the State Government from time to time. In addition to motor vehicles tax, special road tax on all transport vehicles at the prescribed rates by the State Government shall also be payable.

In 18 regional transport offices (RTOs)/district transport offices (DTOs)¹, test check of registration records and tax ledgers between April 2006 and February 2007 revealed that motor vehicle tax and special road tax for the period between April 2001 and March 2006 in respect of 1,399 goods vehicles were either not paid or paid short by the owners of these vehicles. There was nothing on record to show that the vehicles were off the road or were transferred to any other district/state. The taxation officers also did not initiate any action to realise the tax due. This resulted in non/short realisation of tax amounting to Rs. 1.97 crore.

After the cases were pointed out between May 2006 and April 2007, the department stated (May/June 2007) that Rs. 19.07 lakh in respect of 158 vehicles had been recovered in Bikaner, Jaipur (Goods), Jaisalmer and Sirohi.

The matter was reported to the Government between January 2007 and April 2007; their reply has not been received (September 2007).

3.3 Non/short realisation of motor vehicles tax and special road tax from contract carriages

Under the RMVT Act and the Rules made thereunder, motor vehicles tax and special road tax in respect of contract carriage vehicles having seating capacity upto 13 persons is payable at the rates prescribed by the State Government from time to time, quarterly and in advance on or before 10th day of the first month of the quarter to which the tax relates. In respect of contract carriages having seating capacity of more than 30 passengers excluding the driver and the conductor, it is payable monthly in advance, at the rate prescribed by the State Government from time to time on or before the seventh day of the month for which the tax relates.

¹ RTO, Ajmer, Bikaner, Jodhpur, Kota, Pali and Sikar, DTO, Barmer, Bharatpur, Hanumangarh, Jaipur (Goods), Jaisalmer, Jalore, Jhunjhunu, Karauli, Kotputali, Nagaur, Sirohi and Sriganaganagar.

3.3.1 Non/short realisation of special road tax in respect of contract carriages with more than 30 seats

In two RTOs² and three DTOs³, test check of the registration records, tax ledgers and general index registers between May 2006 and November 2006 revealed that special road tax for the period between April 2004 and March 2006 was either not paid or paid short by the owners of 132 contract carriages. The taxation officers also did not initiate any action to realise the tax due. This resulted in short realisation of special road tax amounting to Rs. 1.36 crore.

The matter was brought to the notice of the department between May 2006 and December 2006 and reported to the Government between August 2006 and April 2007; their replies have not been received (September 2007).

3.3.2 Non/short realisation of motor vehicles tax and special road tax in respect of contract carriages having seating capacity upto 13 seats

In 13 RTOs/DTO⁴, test check of the registration records and tax ledgers between April 2006 and January 2007 revealed that motor vehicle tax and special road tax for the period between April 2003 and March 2006 in respect of 762 vehicles plying on contract carriage permits were either not paid or paid short by the owners of these vehicles. The taxation officers also did not initiate any action to realise the tax due. This resulted in non/short realisation of motor vehicles tax and special road tax amounting to Rs. 1.27 crore.

After the cases were pointed out between May 2006 and February 2007, the department stated (June 2007) that Rs. 1.69 lakh in respect of 15 vehicles had been recovered in Ajmer.

The matter was reported to the Government between August 2006 and April 2007; their reply has not been received (September 2007).

3.4 Non-recovery of special road tax and penalty from Rajasthan State Road Transport Corporation

Under the RMVT Act and the Rules made thereunder, vehicles are not liable to pay tax for the period during which their registration certificates (RC) are surrendered to the department. However, where a vehicle is found plying after the surrender of RC, the tax on such vehicle shall be payable for entire period of surrender alongwith a penalty equal to five times the amount of tax.

Cross verification of the records relating to surrender of RC in the RTO, Jaipur with returns/records maintained by Rajasthan State Road Transport Corporation (RSRTC) for the period 2005-06 revealed that 54 stage carriages plied during the period of surrender of RC but special road tax amounting to

² RTO, Jodhpur and Udaipur

³ DTO, Bharatpur, Jaipur (CC) and Sikar

⁴ RTO, Ajmer, Jodhpur, Kota, Pali, Sikar and Udaipur

DTO, Barmer, Jaipur (CC), Kotputali, Nagaur, Sawaimadhopur, Sirohi and Sriganganagar.

Rs. 21.91 lakh and penalty equivalent to five times the said tax i.e. Rs. 1.10 crore was not levied. This resulted in non-realisation of revenue of Rs. 1.31 crore.

The cases were brought to the notice of the department in December 2006 and reported to the Government in April 2007; their replies have not been received (September 2007).

3.5 Non/short realisation of motor vehicles tax in respect of passenger vehicles

Under the RMVT Act, motor vehicles tax in respect of a passenger vehicle not covered by a permit shall be payable at the rates prescribed by the State Government from time to time.

In six RTOs/DTOs⁵, test check of the registration records, tax ledgers and general index registers and other records between April 2006 and November 2006 revealed that motor vehicles tax was not paid by the owners in respect of 157 passenger vehicles for the periods between April 2002 and March 2006 during which their vehicles remained without permits. The taxation officers also did not initiate any action to realise the tax due. This resulted in non-realisation of motor vehicles tax amounting to Rs. 73.25 lakh.

After the cases were pointed out between May 2006 and December 2006, the department stated (May 2007) that Rs. 23,000 in respect of one vehicle had been recovered in Sikar.

The matter was reported to the Government between March 2007 and April 2007; their reply has not been received (September 2007).

3.6 Non/short realisation of special road tax in respect of stage carriages

Under the RMVT Act and the Rules made thereunder, special road tax at the prescribed rates is payable in respect of stage carriages monthly in advance on or before seventh day of the month and owner of the vehicle is also required to submit a declaration to this effect on or before 14th day of each month. If the tax has not been correctly paid or the owner has not furnished the return/declaration or has given inaccurate particulars in the return/declaration, the taxation officer shall proceed to compute and recover the amount of tax due.

⁵ RTO, Ajmer and Sikar
DTO, Hanumangarh, Jaipur (CC), Nagaur and Sriganganagar

In five RTOs/DTOs⁶, test check of the registration records, tax ledgers and general index registers and other records revealed that special road tax in respect of 123 stage carriages for the period between September 2003 and March 2006 was either not paid or paid short by the owners of these vehicles. The declarations were also not submitted by the owners where tax was not paid. The taxation officers also did not initiate any action to realise the tax due. This resulted in non/short realisation of special road tax amounting to Rs. 42.63 lakh.

The matter was pointed out to the department between May 2006 and October 2006 and reported to the Government between September 2006 and April 2007; their replies have not been received (September 2007).

3.7 Non-realisation of motor vehicle tax in respect of dumpers/tippers

Under the RMVT Act and the Rules made thereunder, motor vehicle tax shall be levied and collected on all motor vehicles used or kept for use in the state at the rates prescribed by the State Government from time to time.

Test check of the registration records and tax ledgers in RTO, Bikaner and DTO, Jaisalmer, between September 2006 and December 2006 revealed that motor vehicles tax of Rs. 16.31 lakh was not paid by the owners of 59 dumpers/ tippers for the period between April 2003 and March 2006. The taxation officer also did not initiate any action to realise the tax due.

After the cases were pointed out between November 2006 and February 2007, the department stated (June 2007) that Rs. 3.22 lakh in respect of 17 vehicles had been recovered in Bikaner and Jaisalmer. The report on action taken in respect of the remaining cases has not been received (September 2007).

The matter was reported to the Government in January 2007 and April 2007; their reply has not been received (September 2007).

⁶ RTO Alwar, Sikar and Udaipur
DTO, Bharatpur and Nagaur