

CHAPTER-III: Taxes on Motor Vehicles

3.1 Results of audit

Test check of records in the offices of the Transport Department conducted in audit during the year 2002-03 revealed short realisation of taxes, fees and penalty amounting to Rs.22.58 crore in 33,519 cases which broadly fall under the following categories:

(Rupees in crore)

S. No.	Category	Number of cases	Amount
1.	Non/short payment of tax, surcharge, penalty, interest and compounding fee	14,530	14.12
2.	Non/short determination/computation of special road tax	1,324	5.49
3.	Other irregularities	17,665	2.97
Total		33,519	22.58

During the year 2002-03, the Department accepted under assessments of road tax, special road tax etc. of Rs.20.49 crore involved in 12,014 cases, of which 10,911 cases involving Rs.9.17 crore were pointed out in audit during 2002-03 and the rest in earlier years. During 2002-03 the Department recovered Rs.5.10 crore involved in 478 cases which were pointed out in earlier years.

A few illustrative cases involving Rs.5.93 crore and highlighting important observations are given in the following paragraphs:

3.2 Short realisation of special road tax in respect of stage carriages of Rajasthan State Road Transport Corporation (RSRTC)

Under the Rajasthan Motor Vehicles Taxation Act, 1951 (RMVT) and Rules made thereunder, special road tax is leviable on all transport vehicles. Tax in respect of stage carriages, contract carriages and city transport services shall be payable at the rates prescribed by the state government based on the cost of chassis. The Transport Commissioner has to determine the cost of the vehicles in the beginning of the financial year.

In Jaipur, it was noticed that in respect of 42,102 passenger vehicles owned by Rajasthan State Road Transport Corporation (a fleet owner) though special road tax of Rs.55.53 crore was leviable, tax of Rs.51.89 crore was levied for the year 2001-02. This resulted in short realisation of special road tax of Rs.3.64 crore due to undervaluation of cost of stage carriages for the purpose of computation of tax.

On this being pointed out, the Department/Government stated in June 2003 that tax was re-determined and demand raised.

3.3 Non/short-realisation of motor vehicles tax and special road tax

Under the RMVT Act, 1951 and Rules made thereunder, motor vehicles tax and special road tax is payable on the basis of cost of vehicle/chassis in respect of all transport vehicles at the rates prescribed by the state government from time to time. On contract carriages, having seating capacity upto 22 in all, tax is payable in advance quarterly. On contract carriages having seating capacity more than 22 in all and on stage carriages tax is payable monthly in advance.

3.3.1 Contract carriages

In Bundi and Tonk, it was noticed that motor vehicles tax pertaining to the period January 1999 and March 2002 in respect of 100 vehicles having seating capacity upto 22 in all was either not paid or paid short. This resulted in non/short realisation of motor vehicles tax amounting to Rs.11.06 lakh.

On this being pointed out, the Government/Department stated in May 2003 and July 2003 that Rs.5.71 lakh had been recovered in respect of 62 vehicles and efforts were being made to recover the balance amount in respect of remaining vehicles.

In 5 Transport offices¹, it was noticed that special road tax in respect of 97 vehicles for the period between July 1999 and March 2002 was either not paid or paid short by the owners of 97 vehicles having capacity upto 22 in all. This resulted in non/short realisation of special road tax amounting to Rs.79.98 lakh.

The omission was pointed out to Department between May 2002 and March 2003 and reported to Government between December 2002 and March 2003. The Department/Government stated in June 2003 that Rs.8.15 lakh had been recovered in respect of 28 vehicles and efforts were being made for remaining vehicles. Reply in respect of other cases has not been received (August 2003).

¹ Banswara, Bhilwara, Bikaner, Jhunjhunu and Rajsamand.

3.3.2 Stage carriages

In 4 Transport offices¹, it was noticed that special road tax in respect of 95 stage carriages for the periods between April 2000 and March 2002 was either not paid or paid short. This resulted in non/short realisation of special road tax amounting to Rs.30.21 lakh.

On this being pointed out, the Department/Government stated between December 2002 and July 2003 that Rs.2.93 lakh had been recovered in respect of 14 vehicles. Efforts for recovery of balance amount were being made. Reply in respect of other cases has not been received (August 2003).

3.4 Non-realisation of motor vehicles tax in respect of excavators/loaders

Under the RMVT Act, 1951 and 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 8 Transport offices², it was noticed that motor vehicles tax for the period between April 1997 and March 2002 in respect of 145 excavators was either not paid or was paid short. This resulted in non-realisation of motor vehicles tax amounting to Rs.46.11 lakh.

On this being pointed out, the Department stated between September 2002 and March 2003 that Rs.0.36 lakh had been recovered in 2 cases. Reply in respect of remaining cases had not been received (August 2003).

The matter was reported to Government in January 2003 and April 2003; their reply has not been received (August 2003).

3.5 Short realisation of fitness fees in respect of transport vehicles

Under the Motor Vehicles Act, 1988 (MVT Act) and Rules made thereunder, fitness fees shall be levied at the prescribed rates and collected on all transport vehicles used or kept for use in the State. Central Government had increased the rates of fitness fees on transport vehicles with effect from 28 March 2001.

¹ Alwar, Bharatpur, Bhilwara and Jaipur.

² Ajmer, Alwar, Bhilwara, Chittorgarh, Jaipur (Goods), Rajsamand, Tonk and Udaipur.

In 9¹ Regional Transport Offices and 19² District Transport Offices, it was noticed that fitness fees for various periods between 28 March 2001 and 24 April 2001 in respect of 10,237 vehicles amounting to Rs.30.34 lakh was realised short.

On this being pointed out in audit, the Department/Government stated in June 2003 that Rs.1.47 lakh had been recovered in respect of 621 vehicles. Efforts were being made to recover the balance amount in respect of remaining vehicles. Further reply was awaited (August 2003).

3.6 Non/short realisation of motor vehicles tax in respect of dumpers/tippers

Under the RMVT Act, 1951 and Rules made thereunder, motor vehicles tax shall be levied and collected on all motor vehicles used or kept for use in the state at such rates as may be prescribed by the state government from time to time. Annual rate of tax prescribed for dumpers/tippers is 1.5 per cent of the cost of chassis.

In 3 Transport offices³, it was noticed that motor vehicles tax of Rs.14.17 lakh for various periods between April 2000 and March 2002 in respect of 135 dumpers/tippers was either not paid or paid short.

On this being pointed out, the Department/Government stated in May 2003 that Rs.3.89 lakh had been recovered in respect of 57 vehicles. Reply in respect of remaining cases had not been received (August 2003).

3.7 Non-realisation of motor vehicles tax of passenger vehicles kept without non-temporary permits

Under the RMVT Act, 1951 motor vehicles tax in respect of a passenger vehicle not covered by a non- temporary permit shall be payable at full rate of tax prescribed for passenger vehicles from time to time.

In Bikaner and Jodhpur, it was noticed that motor vehicles tax was not paid by owners in respect of 72 passenger vehicles for the periods May 1999 and March 2002 during which their vehicles remained spare without any non-

¹ Regional Transport Office: Ajmer, Alwar, Bikaner, Chittorgarh, Dausa, Jodhpur, Kota, Sikar and Udaipur.

² District Transport Office: Banswara, Barmer, Beawar, Bharatpur, Bhilwara, Bundi, Churu, Hanumangarh, Jaipur (Goods carriage), Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Kotputli, Nagaur, Sawaimadhopur, Sirohi, Sriganganagar and Tonk.

³ Banswara, Jhalawar and Sikar.

temporary permit. This resulted in non-realisation of motor vehicles tax amounting to Rs.10.02 lakh.

On this being pointed out, the Department/Government stated in July 2003 that Rs.1.50 lakh had been recovered from 17 vehicles and that efforts were being made to recover the balance amount in respect of remaining vehicles (August 2003).

3.8 Non-realisation of motor vehicles tax and special road tax in respect of goods vehicles

Under the RMVT Act, 1951 and Rules made there under, motor vehicles tax on all motor vehicles used or kept for use in the state, shall be levied and collected 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 rates prescribed by the state government shall also be payable.

In Bhilwara, it was noticed that motor vehicles tax and special road tax for the period between April 1998 and March 2002 in respect of 57 goods vehicles were not paid. This resulted in non-realisation of tax amounting to Rs.7.54 lakh.

On this being pointed out in audit, the Department/Government stated in June 2003 that Rs.1.83 lakh had been recovered in respect of 29 vehicles. Efforts were being made to recover the balance amount in respect of remaining vehicles.