

CHAPTER 8
OTHER TAX RECEIPTS
A – URBAN LAND TAX

8.1 Results of Audit

Test check of records of departmental offices conducted during the period from April 2000 to March 2001 revealed under assessment/non levy of urban land tax, incorrect grant of exemption, other irregularities amounting to Rs.187.24 lakh in 54 cases which broadly fall under the following categories.

Sl No	Categories	No. of cases	Amount (Rs. in lakh)
1	Under assessment/non-levy of urban land tax	34	167.99
2	Incorrect grant of exemption	8	5.25
3	Other irregularities	12	14.00
	Total	54	187.24

During the course of the year 2000-2001, the concerned department accepted under-assessments of Rs.43.53 lakh in 15 cases out of which an amount of Rs.2.23 lakh was collected in 2 cases .

An illustrative case involving a financial effect of Rs.39.69 lakh is mentioned below

8.2 Non-levy of urban land tax

Under the Tamil Nadu Urban Land Tax Act, 1966, as amended, from time to time, land lying in Chennai city and extent lying within 16 kilometers from the outer limits is assessable to urban land tax from fasli year 1401 (1 July 1991) on the basis of market value as on 1 July 1981. Where the revised urban land tax leviable on the basis of market value as on 1 July 1981 exceeds five times the tax already levied, the revised urban land tax shall be limited to five times of the tax levied.

In four assessment divisions, urban lands measuring 2190 grounds¹⁵ and 501 square feet belonging to 17 assesseees were either not assessed to tax or tax was not revised with effect from fasli 1401 (1 July 1991) onwards. This had resulted in non-levy of urban land tax amounting to Rs.39.69 lakh as detailed below.

SI No	Name of the assessment division (Name of the village)	No. of assesseees	Total extent not assessed to tax	Total no. of faslis for which tax not assessed	Non-levy of tax (Rs. in lakh)
1	Mylapore (Mylapore, Urur & Triplicane Villages)	7	153 grounds and 453 square feet	Fasli 1401 to 1408 (8 faslis) 1 July 1991 to 30 June 1999	14.60
	Triplicane Village	5	63 grounds and 1683 Square feet	Fasli 1401 to 1409 (9 faslis) 1 July 1991 to 30 June 2000	14.29
2	Madhavaram	1	1593 grounds and 1289 square feet	Fasli 1401 to 1407 (7 faslis) 1 July 1991 to 30 June 1998	5.56
3	Tondiarpet and Ambattur	4	379 grounds and 1876 square feet	Fasli 1401 to 1405 (5 faslis) 1 July 1991 to 30 June 1996	5.24
Total		17	2190 grounds and 501 square feet		39.69

On this being pointed out (between February 1996 and March 2000), the department assessed the lands to tax (between October 1998 and January 2001) and raised demands for Rs.39.69 lakh, out of which an amount of Rs.3.24 lakh (Mylapore Village) has been collected (July 2001). Report on recovery on the balance amount has not been received (September 2001).

The matter was reported (November 2000 and May 2001) to the Government and followed up with reminder (September 2001). However in spite of such efforts no reply was received (October 2001).

¹⁵ One Ground is equal to 2400 square feet

B. ELECTRICITY DUTY

8.3 Results of Audit

Test check of records of departmental offices conducted during the period from April 2000 to March 2001 revealed non collection of licence fee/inspection fee, non-levy of electricity duty, non-levy of penalty etc. amounting to Rs.182.46 lakh in 15 cases which broadly fall under the following categories.

Sl No	Categories	No. of cases	Amount (Rs. in lakh)
1	Non-collection of licence fee/inspection fee	11	2.27
2	Non-levy of electricity duty	2	10.35
3	Non-levy of penalty	2	169.84
	Total	15	182.46

During the course of the year 2000-2001, the concerned department accepted and recovered under-assessments of Rs.0.04 lakh in 2 cases.

An illustrative case involving a financial effect of Rs.30.15 lakh is mentioned below.

8.4 Non implementation of the Tamil Nadu Lifts Act and consequential non-realisation of revenue

Consequent upon the construction of several multi-storeyed buildings with lifts, a number of safety measures and safety precautions are necessary for operating the lifts in the interest of the safety of users. As these cannot be insisted in the absence of legislation, the Tamil Nadu Lifts Act, 1997 (Act 35 of 1997) was enacted.

Under the provisions of the above Act (November 1997), no person can erect a lift or operate it without obtaining licence. In case of lifts already in existence prior to enactment of this Act, licence is to be obtained within two months from the date of commencement of the Act. Thus after January 1998, no lifts shall be in operation without proper licence. Every licence granted under the Act is valid for one year from the date on which it is granted and is to be renewed yearly on payment of renewal fees.

It was noticed (January/February 2000) during the audit of Chief Electrical Inspector's office, Chennai that 2771 lifts are in operation in Chennai Division alone at the time of commencement of the Act (November 1997) and 424 lifts were added during the years 1998-1999 to 2000-2001. Out of the above 1457 lifts were not issued with licence till-date. Further in the case of 202 lifts which were issued with licence upto 1999-2000, licenses were not renewed subsequently.

Omission to issue licence and its subsequent renewal resulted in non-achievement of the main objective of the Act and consequential non-realisation of revenue amounting to Rs.30.15 lakh.

When this was pointed out (March/April 2000) the department stated that due to inadequate staff, the department could not take any serious step to enumerate the actual existing lifts in the State. This had resulted in non-realisation of a huge unquantified amount by way of revenue to Government.

The matter was reported (May 2000/July 2001) to the Government and followed up with reminder (September 2001). However in spite of such efforts no reply was received (October 2001).