
OVERVIEW

This report contains 16 paragraphs including two reviews relating to non/short levy of tax, penalty, interest etc., involving Rs. 1,035.85 crore. Some of the major findings are mentioned below:

I. General

- The total receipts of the Government of Uttar Pradesh for the year 2007-08 were Rs. 68,672.47 crore against Rs. 60,599.52 crore during 2006-07. The revenue raised by the State Government amounted to Rs. 30,775.33 crore comprising tax revenue of Rs. 24,959.32 crore and non-tax revenue of Rs. 5,816.01 crore. The receipts from the Government of India were Rs. 37,897.14 crore (State's share of divisible Union taxes: Rs. 29,287.74 crore and grants-in-aid: Rs. 8,609.40 crore). Thus, the State Government could raise only 45 *per cent* of the total revenue. Taxes on sales, trade etc. (Rs. 15,023.10 crore) and miscellaneous general services (Rs. 1,153.53 crore) were the major source of tax and non-tax revenue respectively during the year 2007-08.

(Paragraph 1.1)

- As on 31 March 2008 arrears of revenue under principal heads of revenue as reported by concerned departments were Rs. 11,658.61 crore.

(Paragraph 1.5)

- Test check of the records of trade tax, state excise, taxes on vehicles, goods and passengers, stamp duty and registration fees, public works, finance departments, forest and entertainment tax etc., conducted during the year 2007-08 revealed under assessments/short levy/loss of revenue amounting to Rs. 2,251.28 crore in 1,986 cases. During the year 2007-08, the concerned departments accepted under assessments and other deficiencies of Rs. 90.76 lakh in 144 cases of which Rs. 85.57 lakh had been recovered in 134 cases upto March 2008.

(Paragraph 1.6)

- Inspection reports numbering 8,688 issued upto 31 December 2007 containing 21,049 audit observations with money value of Rs. 2,642.28 crore had not been settled upto June 2008.

(Paragraph 1.7)

II. Trade Tax

- Seven dealers were liable to pay penalty of Rs. 1,156.50 crore for importing taxable goods from outside the State without declaration in form XXXI.

(Paragraph 2.5.1)

- In cases of 17 dealers, though tax of Rs. 6.83 crore was levied on concealed turnover but minimum penalty of Rs. 3.41 crore was not imposed.

(Paragraph 2.5.2)

III. State Excise

- 127 licensees of country liquor, who had short lifted 1,33,072.581 bulk litre of minimum guaranteed quota, were liable to pay excise duty of Rs. 1.09 crore.

(Paragraph 3.2)

IV. Taxes on Vehicles, Goods and Passengers

A review on **Levy and collection of taxes, fees and penalties etc. in inter State vehicular traffic** revealed as under:

- Due to non-revalidation of time barred bank drafts, revenue of Rs. 1.64 crore remained out of Government account.

(Paragraph 4.2.6.1)

- Short levy of tax, additional tax and non-imposition of penalty on vehicles plying without countersigned permit resulted in short realisation of Rs. 57.12 crore.

(Paragraph 4.2.8)

- Non-realisation of tax and additional tax from goods carriage resulted in loss of Rs. 5.16 crore.

(Paragraph 4.2.10.1)

- Non-levy of tax on laden weight of the vehicles resulted in short realisation of Rs. 7.34 crore.

(Paragraph 4.2.11)

- Delay in circulation of orders resulted in non-realisation of Rs. 6 crore.

(Paragraph 4.2.12)

- Short assessment of additional tax from stage carriage on inter state routes under bilateral agreement resulted in short realisation of Rs. 2.51 crore.

(Paragraph 4.2.14)

V. Stamp Duty and Registration Fee

A review of **Deficiencies in charging of stamp duty on valuation of property and different nature of documents** revealed as under:

- Non-existence of provision for levy of additional stamp duty in the development areas resulted in non-realisation of revenue of Rs. 344.19 crore.

(Paragraph 5.2.6)

- Non-levy of stamp duty on sale of industrial property resulted in non-realisation of revenue of Rs. 36.72 crore.

(Paragraph 5.2.7)

- Undervaluation of residential and commercial land/building resulted in short levy of stamp duty of Rs. 34.30 crore.

(Paragraph 5.2.9)

- Short levy of stamp duty due to incorrect determination of circle rate resulted in loss of revenue of Rs. 2.93 crore.

(Paragraph 5.2.14)

VI. Other Tax and Non-Tax Receipts

For carrying the forest produce out of the forest area, transit fee of Rs. 1.40 crore was not realised from the contractors of National Highway Authority of India.

(Paragraph 6.4)