

## **CHAPTER-IV - TAXES ON VEHICLES, GOODS AND PASSENGERS**

### **4.1 Results of audit**

Test check of records of various offices of the Transport Department conducted in audit during 2003-04 revealed non-levy or short-levy of taxes, under assessment of road tax, Goods tax and other irregularities amounting to Rs.22.83 crore in 366 cases which broadly fall under the following categories:

| (Rupees in crore) |  |                 |              |
|-------------------|--|-----------------|--------------|
| Sl.No             | Category   | Number of cases | Amount       |
| 1                 | Short-levy or non-levy of passenger tax/additional tax | 190             | 17.66        |
| 2                 | Under-assessment of road tax and good tax              | 25              | 0.38         |
| 3                 | Other irregularities                                   | 151             | 4.79         |
|                   | <b>Total</b>   | <b>366</b>      | <b>22.83</b> |

During the year 2003-04, the Department accepted under-assessment etc. of Rs. 41.86 lakh involved in 10 cases.

A few illustrative cases involving financial effect of Rs. 72.39 lakh are given in the succeeding paragraphs:

### **4.2 Short levy of temporary permit fees**

Motor Vehicle Taxation Act, 1988 and U.P. M.V.T. Act provide that, vehicles required for the conveyance of passenger on special occasion such as religious gathering, marriage parties and tourist parties etc. are issued temporary permits. The minimum fee for temporary permit was enhanced from Rs. 110 to Rs. 300 per permit for three days vide Government notification of December 1998.

Scrutiny of the records of SRTO, Bahriach, revealed that during the period from April 1999 to September 2002, 3130 temporary permits were issued by the Department at pre revised rate. Thus, due to short levy of permit fees the Department deprived of revenue of Rs. 5.95 lakh.

The matter was reported to the Department and the Government (February 2003); their reply has not been received (November 2004).

### **4.3 Non-Assessment of Additional tax**

Under the provision of the U.P. Motor Gadi (Yatrikar) Adhiniyam and notification dated 21 November, 1996, additional tax in respect of maxi cab was fixed as Rs. 2350 per month which was revised to Rs. 4500 per quarter, per vehicle from 9 November 1998, Rs. 4950/- per quarter from 10th March '2000 and to Rs. 10,000/- per quarter from 6th October '2001 on wards.

Test check of records of 10 RTO/SRTOs\*, revealed that additional tax on 152 maxi-cabs plying during the period April, 1998 to March, 2003 was neither assessed at old rate nor at new rates. This resulted in non-assessment of additional tax amounting to Rs. 59.24 lakh.

\* RTO- Allahabad, Mirzapur, Varanasi, ARTO- Kaushambi, Mathura, Chitrkoot, Barabanki, Bahraich, Pratapgarh and Auraiya.

The cases were reported to the Department and Government (between May '2002 and Jan '2004); their replies have not been received (November 2004).

#### **4.4 Loss of revenue due to non-levy of penalty**

Under U.P. MVT Act, no transport vehicle shall ply in state under a temporary permit granted by an authority having jurisdiction outside the state without payment of tax or additional tax payable under the Act. If such vehicle is found plying in the state without payment of tax or additional tax, a penalty equivalent to ten times of the tax or additional tax due shall be charged.

Test check of records of RTO, Faizabad and ARTO, Kushinagar revealed that enforcement squad of the Department intercepted 13 vehicles having jurisdiction of other state plying in the state without payment of any tax of the state during the period from January '2001 to March '2002. Though, the Department realized tax and additional tax amounting to Rs. 0.72 lakh on them, yet failed to impose a penalty of Rs. 7.20 lakh, thereby resulting in loss of Rs. 7.20 lakh.

The matter was reported to the Department/Government (October '2002 and May '2003); their replies have not been received (November 2004).