

## CHAPTER V MOTOR VEHICLES TAX

### 5.1 Results of audit

Test check of the records relating to taxes on motor vehicles conducted in audit during the year revealed non-realisation and loss of revenue of Rs. 6.08 crore in 47 cases, which fall under the following categories:

| (Rupees in crore) |  |              |             |
|-------------------|--|--------------|-------------|
| Sl. No.           | Categories   | No. of cases | Amount      |
| 1.                | Non/short realisation of tax, additional tax and penalty                             | 10           | 4.16        |
| 2.                | Non-realisation of difference of life time tax and one time tax                      | 9            | 0.73        |
| 3.                | Non-realisation of revenue due to non-reference of offence cases to the Court of law | 4            | 0.04        |
| 4.                | Non-realisation of revenue due to non-disposal of seized vehicles                    | 2            | 0.03        |
| 5.                | Other irregularities   | 22           | 1.12        |
| <b>Total</b>      |  | <b>47</b>    | <b>6.08</b> |

During the course of the year, the department accepted underassessment and other deficiencies of Rs. 4.85 crore in 38 cases of which 36 cases involving Rs. 4.83 crore were pointed out in audit during the year 2007-08 and the rest in earlier years. An amount of Rs. 1.85 lakh in two cases was realised during the year 2007-08.

A few illustrative cases involving Rs. 4.66 crore are mentioned in the following paragraphs.

## **5.2 Non-realisation of tax, additional tax and penalty from the owners of vehicles**

The West Bengal Motor Vehicles (WBMV) Tax Act, 1979 and the West Bengal Additional Tax and One Time Tax on Motor Vehicles (WBATOTTMV) Act, 1989 as amended in January and September 2003 and Government notifications of December 1998 and August 1999 prescribe the rate of tax and additional tax on motor vehicles based on their use, seating capacity or weight. Both the Acts provide for levy of penalty equal to the tax and additional tax in case of non-payment of tax beyond 75 days from the due date.

Scrutiny of the records of the Public Vehicles Department (PVD), Kolkata, Regional Transport Office (RTO), Purulia and three<sup>1</sup> Additional Regional Transport Offices (ARTO) between September 2007 and January 2008 revealed that though the owners of 707<sup>2</sup> vehicles did not pay tax and additional tax for different periods between April 2001 and September 2007, no action was taken by the taxing officers (TO) to realise the dues. The delay in non-payment of tax and additional tax ranged between 3 and 76 months for which 100 *per cent* penalty was leviable. This resulted in non-realisation of tax, additional tax and penalty of Rs. 3.73 crore.

After the cases were pointed out, four<sup>3</sup> TOs stated in respect of 244 cases involving Rs. 51.42 lakh that steps would be taken to realise the dues. A report on realisation of tax and replies in respect of the remaining 463 cases involving Rs. 3.22 crore has not been received (September 2008).

The cases were reported to the Government between November 2007 and March 2008, followed by reminder issued in June 2008; their reply has not been received (September 2008).

## **5.3 Non-realisation of differential tax from the owners of motor cycles**

Under the provisions of the WBATOTTMV Act, the owner of a motor cycle registered after 25 November 1991 has to pay the difference of the rate of life time tax payable as specified in schedule III and one time tax already paid within the appointed date. The State Government, by a notification issued in December 2004, stipulated 16 March 2005 as the appointed date for payment of the difference of such tax. In case of non-payment of the differential tax within the prescribed date, penalty was to be charged.

Scrutiny of the records of three<sup>4</sup> RTOs and three<sup>5</sup> ARTOs between August 2006 and December 2007 revealed that in respect of 1,143 motor cycles registered between November 1991 and May 2004, the differential tax of Rs. 25.04 lakh was not realised from the owners even after 17 to 33 months

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<sup>1</sup> Alipurduar, Asansol and Durgapur.

<sup>2</sup> Autorickshaw - 60, trailer - 73, trucks - 389, mini buses - 119, pickup van - 1, mixer - 2, dumper - 3, tipper - 4, mini truck - 5, loader - 6, omni buses - 8, tractors - 9 and contract carriages - 28.

<sup>3</sup> RTO, Purulia, ARTOs, Alipurduar, Asansol and Durgapur.

<sup>4</sup> Burdwan, Dakshin Dinajpur and Purulia.

<sup>5</sup> Alipurduar, Asansol and Durgapur.

from the appointed date. This resulted in non-realisation of tax of Rs. 50.08 lakh including penalty.

After the cases were pointed out, the TOs, Burdwan, Alipurduar and Dakshin Dinajpur in respect of 483 cases involving Rs. 20.34 lakh stated between August 2006 and September 2007 that steps would be taken to realise the dues. In the remaining 660 cases involving Rs. 29.74 lakh, the TOs, Asansol, Durgapur and Purulia did not furnish any reply.

The cases were reported to the Government between November 2006 and March 2008, followed by reminder issued in June 2008; their reply has not been received (September 2008).

#### **5.4 Non/short realisation of one time tax and special tax from the owners of non-transport vehicles**

Under the provisions of WBATOTTMV Act, one time tax and special tax are realisable at the prescribed rate for five years from the owners of non-transport vehicles based on their use, engine capacity and seating capacity in lieu of the annual tax payable under the WBMVT Act. In case of non-payment of one time tax and special tax beyond 15 days after the due date, penalty ranging between 5 and 100 *per cent* of the unpaid tax is leviable.

Test check of the records of three<sup>6</sup> RTOs, two<sup>7</sup> ARTOs and the Director, PVD, Kolkata between June 2006 and December 2007 revealed that in case of 147 non-transport vehicles registered between June 2002 and December 2006, the one time tax and special tax was either not paid or paid partially by the vehicle owners. The TOs did not initiate any action to realise the one time tax and special tax along with penalty for default in the payment for period ranging between 1 to 35 months. This resulted in non/short realisation of tax and penalty of Rs. 26.29 lakh.

After the cases were pointed out, the TO, PVD, Kolkata in 28 cases involving Rs. 6.30 lakh stated in November 2006 that the National Informatics Centre had been requested to introduce new software for quick detection and realisation of taxes. The reply was silent regarding action taken to recover the dues pointed out by audit. In 97 cases involving Rs. 15.59 lakh, the TOs, Alipurduar, Dakshin Dinajpur, Durgapur and Purulia stated between June 2006 and September 2007 that action would be taken to realise the dues. In the remaining 22 cases involving Rs. 4.40 lakh, two<sup>8</sup> TOs did not furnish any reply.

The cases were reported to the Government between November 2006 and February 2008, followed by reminder issued in June 2008; their reply has not been received (September 2008).

#### **5.5 Loss of revenue due to non-issue of saleable forms**

Statutory application forms for issue of learner's licence, driving licence, permit and registration as required under the provisions of the WBMV Rules,

<sup>6</sup> Bankura, Dakshin Dinajpur and Purulia.

<sup>7</sup> Alipurduar and Durgapur.

<sup>8</sup> RTO, Bankura, ARTO, Durgapur.

1989 and Central Motor Vehicles (CMV) Rules, 1989 are to be supplied by the registering authority on payment of Rs. 5 per page.

Scrutiny of the records of two<sup>9</sup> RTOs and two<sup>10</sup> ARTOs between August and December 2007 revealed that 41,798 learner's licences, 71,732 driving licences, 2,499 transfers of ownership, 41,509 registrations, 10,619 temporary/permanent permits and 4,620 certificates of fitness were granted between April 2002 and March 2007 for which application forms were not supplied by the offices of TOs but were obtained from other sources by the applicants. Thus, inability of the department to supply the forms resulted in loss of revenue of Rs. 16.39 lakh.

After the cases were pointed out, the TO, Dakshin Dinajpur stated in 41,115 cases involving Rs. 4.11 lakh that a counter would be opened in the near future to earn revenue by selling forms. In 89,381 cases involving Rs. 8.71 lakh, the TOs, Alipurduar and Asansol stated between September and December 2007 that they were unable to sell these to the applicants due to non-supply of forms from the Government. The TO, Purulia stated that forms could not be printed by the department due to shortage of funds.

The cases were reported to the Government between November 2007 and March 2008, followed by reminder issued in June 2008; their reply has not been received (September 2008).

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<sup>9</sup> Dakshin Dinajpur and Purulia.  
<sup>10</sup> Alipurduar and Asansol.