

## OVERVIEW

The Report contains 22 paragraphs including one review relating to non/short levy of taxes, interest, penalty, etc. involving ₹ 149.13 crore. Some of the major findings are mentioned below:

### I General

The total receipts of the State during 2009-10 was ₹ 55,844.13 crore, comprising ₹ 36,546.66 crore as tax revenue and ₹ 5,027.05 crore as non-tax revenue. ₹ 8,756.20 crore was received from the Government of India as State's share of divisible Union taxes and ₹ 5,514.22 crore as grants-in-aid. The revenue raised by the State Government in 2009-10 was 74 *per cent* of the total revenue receipts as compared to 72 *per cent* in 2008-09. Sales tax (₹ 22,661.52 crore) formed a major portion (62 *per cent*) of the tax revenue of the State. Interest receipts, dividends and profits (₹ 1,845.61 crore) accounted for 37 *per cent* of the non-tax revenue.

(Paragraph 1.1)

Test check of the records relating to sales tax, value added tax, luxury tax, state excise, land revenue and taxes on vehicles conducted during the year 2009-10 revealed under assessments, short levy, loss of revenue and other observations amounting to ₹ 343.98 crore in 1,406 cases.

(Paragraph 1.5.1)

### II Commercial Taxes

#### A Sales Tax/Value Added Tax

A review on “**Computerisation of the check posts in Commercial Taxes Department**” revealed as under:

- Large scale omission to collect goods movement details at the check posts resulted in ineffective monitoring of taxes due to the State.

(Paragraph 2.12.7.1)

- No action was taken to levy tax amounting to ₹ 14.99 crore on the value of goods and penalty of ₹ 22.49 crore thereon in respect of transit passes issued during 2007-08 to 2009-10 by selected six check posts, which were not surrendered.

**(Paragraph 2.12.7.2)**

- Absence of mandatory provisions for Fast Track Clearance System resulted in poor patronage of the scheme and non-achievement of the benefits envisaged.

**(Paragraph 2.12.7.3)**

- Lack of input control on vital information like Tax payers Identification Number and commodity code led to incorrect capturing of vehicle movement details.

**(Paragraph 2.12.8.3)**

- Failure to utilise the available information resulted in movement of goods by non-filers, unregistered, cancelled and bogus dealers across the check posts involving tax and penalty of ₹ 39.78 crore.

**(Paragraph 2.12.9)**

The objective of the amendment to the Central Sales Tax Act, viz., to encourage inter-state trade between registered dealers by providing for compulsory furnishing of Form 'C' declarations to avail the concessional rate of tax was defeated by issue of two Government Orders granting waiver and refund of tax on inter-state sale of hosiery goods, not covered by 'C' form declarations.

**(Paragraph 2.14.2)**

The exemption incorrectly granted on inter-state sale of soya husk made by a dealer during 2002-03 resulted in non-levy of tax of ₹ 23.60 lakh

**(Paragraph 2.14.3.1)**

The exemption granted, as sale of imported chemicals in the course of export, though the goods actually exported were 'sea foods', resulted in non-levy of tax of ₹ 35.36 lakh.

**(Paragraph 2.14.3.2)**

Application of incorrect rates of tax in four cases resulted in short levy of tax of ₹ 32.05 lakh.

**(Paragraph 2.14.4)**

In two assessment circles, short levy of tax of ₹ 38.38 lakh was noticed in two cases.

**(Paragraph 2.14.7)**

The erroneous treatment of sale as works contract resulted in short levy of tax of ₹ 27.84 lakh in two cases.

**(Paragraph 2.14.8)**

## **B Luxury Tax**

Cross verification of income tax returns of the proprietors of hotels with the turnover reported by them to the authorities of the Commercial Taxes Department for payment of luxury tax revealed non/short levy of luxury tax of ₹ 79.86 lakh in five cases.

**(Paragraph 2.15.1)**

## **III Other Tax Receipts**

### **Taxes on vehicles**

There was non-levy of additional tax in respect of 8,677 temporary permits issued to stage carriages amounting to ₹ 7.05 crore.

**(Paragraph 3.3.1)**

There was short collection of tax due to non-levy of composite tax at enhanced rate to the tune of ₹ 36.92 lakh.

**(Paragraph 3.3.2)**

There was short collection of tax in respect of temporary permits issued to other state omni buses amounting to ₹ 37.03 lakh.

**(Paragraph 3.3.3)**

### **Land revenue**

In 15 taluks, Government lands valued at ₹ 178.31 crore were encroached upon by 40 private engineering colleges.

**(Paragraph 3.5.1)**

Non-fixing of land cost in two taluks resulted in non-realisation of land cost of ₹ 2.36 crore.

**(Paragraph 3.5.2)**

In two taluks, due to non-fixing of land value, lease rent of ₹ 3.62 crore could not be collected.

**(Paragraph 3.5.3)**