

CHAPTER-4 Taxes on Vehicles, Goods and Passengers

4.1 Tax administration

The overall charge of the Transport Department vests with the State Transport Commissioner (STC), Punjab, Chandigarh. There are 22 districts each headed by a District Transport Officer (DTO) who monitors due observance of the Punjab Motor Vehicles Taxation Act, 1924 and the Rules made thereunder and maintains the records of receipt of motor vehicles taxes and various fee. Besides, there are four Regional Transport Authorities (RTAs) for regulating the transport vehicles in the State in conformity with the Act and collection of motor vehicles taxes in respect of buses of other States.

4.2 Results of audit

Test check of the records of 28 units relating to taxes on vehicles during 2012-13 showed irregularities involving ₹ 77.98 crore in 2,885 cases, which fall under the following categories as mentioned in table 4.1:

Table 4.1

(₹ in crore)			
Sl. No.	Categories	No. of cases	Amount
1.	Non-short recovery of MVT	2,822	21.72
2.	Short/Non deposit of Government receipt	24	0.06
3.	Other irregularities	39	56.20
	Total	2,885	77.98

During the year 2012-13, the Department accepted audit observations amounting to ₹ 15.64 crore involved in 1,804 cases and recovered ₹ 1.34 crore in 46 cases pertaining to earlier years.

A few illustrative cases involving ₹ 1.11 crore are discussed in the succeeding paragraphs.

4.3 Non/Short realization of Motor Vehicle Tax in respect of stage carriage big buses

Under Section-3 of the Punjab Motor Vehicle Taxation Act, 1924, as amended in November 2007, tax shall be levied on every motor vehicle on year to year basis which shall be payable from such date, in such manner and at such rate as may be determined by the Government from time to time. The Government specified Motor Vehicle Tax (MVT) in respect of stage carriage big buses registered in the State of Punjab at the rate of ₹ 2.25 per kilometer (Km) per vehicle per day for the permitted Kms payable at the end of every

month. The Government allowed exemption of 50 days during the year, under Section -13 (3) for all stage carriage buses registered in the Punjab State only.

Audit noticed (between May 2012 and February 2013) from the records of six Districts Transport Offices¹ for the year 2011-12 that MVT amounting to ₹ 1.34 crore was due from 17² private transport companies worked out on the basis of entire kilometers permitted to be covered during 2011-12. The Department neither demanded the balance MVT due nor initiated any action against the defaulting transport companies by raising of demand/issue of demand notices. This resulted into non/short realisation of MVT of ₹ 95.82 lakh. Besides, penalty under Section-8 (4) and interest under Section-11 (1) is also leviable after giving a reasonable opportunity of being heard to the defaulter.

The matter was reported to the Department/Government (July 2012 and June 2013); their replies were awaited (October 2013).

4.4 Short realisation of one time tax

Punjab Government vide notification (June 2011) amended Sub Section-3 (8) of Punjab Motor Vehicles Taxation Act, 1924 and revised the rate of one time tax in respect of new stage carriage permit for big buses from ₹ 500/- to ₹ 1,500/- per kilometer with effect from 09-06-2011.

Audit noticed (May and July 2012) from the records of two Regional Transport Authorities (RTAs)³ for the period of 2011-12 that four new permits were issued (July 2011) to two transport companies for stage carriage big buses at unrevised rate. It resulted into short realization of one-time tax of ₹ 7.61 lakh. Besides, penalty under Section-8(4) and interest under Section-11 (1) is also leviable.

On being pointed out in audit, all the RTAs stated that notices had been issued to the concerned transport companies to deposit balance motor vehicle tax.

The matter was reported to the Department/Government (July, September 2012 and June 2013); their replies were awaited (October 2013).

4.5 Non realisation of MVT in respect of tourist buses

Under Section-3 (I) of the Punjab Motor Vehicles Taxation Act, 1924, tax shall be levied on every motor vehicle on year to year basis, which shall be payable from such date, in such manner and at such rate, as may be determined by the Government from time to time. But in case of Tourist vehicles, MVT shall be paid monthly, quarterly or annually in advance by 15th of the month or by the 15th of the first month of the quarter or 15th April of the year as the case may be. Government of Punjab vide notification (November 2007) notified rates of tax recoverable from various categories of

¹ Barnala, Ferozepur, Jalandhar, Mansa, Moga and Sangrur.

² Barnala (4), Ferozepur (3), Jalandhar (2), Mansa (3), Moga (4) and Sangrur (1).

³ Jalandhar and Patiala.

motor vehicles with effect from 22 November 2007 in view of which MVT in respect of air conditioned tourist buses was payable at the rate of ₹ 5,000/- per seat per annum.

During test check of records (January 2013) of State Transport Commissioner (STC) Punjab, Chandigarh for the period 2010-12, it was noticed that MVT amounting to ₹ 7,96,250/- for the period 12/2010 to 3/2012 in respect of three transport companies having fleet of five tourist air conditioned buses registered in Punjab State was neither paid by the owners nor demanded by the STC. This omission resulted into non-realisation of MVT amounting to ₹ 7.96 lakh. Besides this, penalty under Section-8 (4) and interest under Section-11 (1) is also leviable.

The matter was reported to the Department/Government (June-2013); their replies were awaited (October 2013).