

CHAPTER V

TAXES ON VEHICLES, GOODS AND PASSENGERS

5.1 Tax administration

Levy and collection of taxes and other receipts under the Motor Vehicles sector are regulated by the Central Motor Vehicles Act, 1988, the Bombay Motor Vehicle Tax Act, 1958, the Bombay Motor Vehicles Transportation of Passengers Act, 1958, and the Rules made there under. These Acts and Rules are implemented by the Transport Commissioner under the overall control of the Principal Secretary (Transport) to the Government in Home Department, assisted by an Additional Commissioner, a Joint Commissioner, Deputy Commissioners and Regional and Deputy Transport Officers. The motor vehicles receipts mainly comprise of taxes on motor vehicles and taxes on goods and passengers.

5.2 Internal Audit

Each Regional Transport Office is having an internal audit wing headed by an Accounts Officer. The criteria for taking up audit has been laid down in order dated 1 September 1971, which prescribes checking of assessment of tax in case of newly registered vehicles, checking of cash book, dead stock etc.

Information regarding position of units planned to be taken up for audit and actually audited is given in **Table 5.2**.

Table 5.2

Year	No. of units planned	No. of units audited	Audit observations raised	Audit observations settled till 31.03.2014	Pending observations as on 31.03.2014
2009-10	17	17	684	354	30
2010-11	19	19	454	362	92
2011-12	18	18	332	258	74
2012-13	29	29	1,171	806	365
2013-14	32	32	693	193	500

Source : Figures furnished by the Department

It can be seen from the above table that the Internal Audit wing of the Department is functioning efficiently. However, more efforts are needed to reduce the pendency of observations.

5.3 Results of audit

In 2013-14, test check of the records of 48 units relating to Bombay Motor Vehicles Tax Act, etc. showed under assessment of tax and other irregularities involving ₹ 45.42 crore in 2,387 cases, which fall under the following categories shown in **Table 5.3**.

Table 5.3

(₹ in crore)			
Sr. No.	Category	Number of cases	Amount
1	Non/short levy of tax due to application of incorrect rates	1,556	43.90
2	Short levy of tax due to incorrect exemption/classification	175	0.48
3	Excess refund and miscellaneous	656	1.04
Total		2,387	45.42

During the year 2013-14, the concerned Department accepted underassessment, short levy of motor vehicle tax of ₹ 1.40 crore in 364 cases and recovered the entire amount, of these, two cases involving ₹ 0.69 crore related to 2013-14 and the rest to earlier years.

An audit observation involving ₹ 10 lakh noticed during audit is discussed in the following paragraph.

5.4 Short recovery of Motor Vehicle Tax (MVT)

RTOs: Aurangabad, Kolhapur Mumbai; Dy. RTOs: Malegaon, Pen, Pimpri – Chinchwad

The State Government has, vide notification dated 27 April 2011, revised the rates of annual tax from 1 May 2011 on non-AC, AC and imported tourist taxies to ₹ 1,000, ₹ 2,000 and ₹ 3,000 respectively for every passenger the vehicle is permitted to carry.

During test check of Cash Balance Recovery Registers and relevant records in six offices between October 2012 and April 2013, we noticed that MVT in respect of 214 tourist taxies for various periods between July 2010 and November 2013 was not paid at revised rates by the owners of the vehicles. This resulted in short recovery of ₹ 10.00 lakh.

After this being pointed out between November 2012 and May 2013, the Department accepted the observation and communicated recovery of ₹ 0.77 lakh in 15 cases between December 2012 and July 2013. Report on the recovery in the balance amount has not been received.

We reported the matter to the Government in May 2014; their reply has not been received (December 2014).