

CHAPTER-III: Taxes on Vehicles, Goods and Passengers

3.1 Tax administration

The receipts from the Transport Department are regulated under the provisions of the Central and the State Motor Vehicle Acts and rules made thereunder and are under the administrative control of the Transport Department. The receipts from road tax and special road tax are regulated under the provisions of the Rajasthan State Motor Vehicles Taxation (RMVT) Act 1951, the rules framed thereunder and notification issued from time to time which are administered by the Transport Commissioner of the State.

The Transport Department is headed by the Transport Commissioner and is assisted by 5 Additional Transport Commissioners and 13 Deputy Transport Commissioners. The entire State is divided into 11 regions, headed by Regional Transport Officers (RTO) cum *ex officio* Member, Regional Transport Authority. Besides, there are 37 vehicles registration cum taxation offices headed by District Transport Officers (DTO).

3.2 Internal audit conducted by the Department

The Department has an Internal Audit Wing under the charge of Financial Adviser. This Wing has to conduct test check of cases of assessment as per the approved action plan and in accordance with the criteria laid down by the Steering Committee so as to ensure adherence to the provisions of the Act and Rules as well as Departmental instructions issued from time to time.

The position of last five years of internal audit was as under:

Year	Units pending for audit	Units due for audit during the year	Total units due for audit	Units audited during the year	Units remained unaudited	Shortfall in per cent
2009-10	16	79	95	89	6	6
2010-11	6	43	49	49	-	-
2011-12	-	43	43	43	-	-
2012-13	-	43	43	43	-	-
2013-14	-	43	43	39	4	9.30

It was noticed that 11,981 paragraphs upto 2013-14 were outstanding at the end of 2013-14. Year-wise break up of outstanding paragraphs of internal audit reports is as under:

Year	1991-92 to 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Paras	7,759	726	730	831	977	958	11,981

There were 7,759 paragraphs of internal audit reports outstanding up to the year 2008-09. The huge number of outstanding paragraphs indicates that the

Department needs to pay more attention for settlement of the observations raised by the Internal Audit Wing.

The Government may issue appropriate instructions to the Department for early disposal of outstanding observations raised by the Internal Audit Wing.

3.3 Results of audit conducted by the Comptroller and Auditor General of India

During 2013-14, test check of the records of 20 units relating to special road tax, registration fee, permit fee, driving licence fee, conductor licence fee, penalties and composite fee under the National Permit Scheme showed underassessment of tax and other irregularities involving ₹ 20.03 crore in 9,082 cases, which fall under the following categories :

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1.	Non/short realisation of tax, penalty, interest and compounding fee	5,419	17.04
2.	Other irregularities	3,663	2.99
Total		9,082	20.03

During the course of the year, the Department accepted underassessment and other deficiencies of ₹ 14.76 crore in 8,568 cases, which were pointed out in earlier years. An amount of ₹ 6.56 crore was recovered in 2,702 cases during the year 2013-14.

A few illustrative cases involving ₹ 15.96 crore are discussed in the paragraphs from 3.4 to 3.6.

3.4 Taxes on motor vehicles not realised

Under Sections 4 and 4B of the RMVT Act, 1951 and the rules made thereunder, motor vehicle tax and special road tax are to be levied and collected on all motor vehicles used or kept for use in the State at the rates prescribed by the State Government from time to time. Further, as per notification dated 09 March 2011, surcharge at the rate of 5 per cent on tax was also payable.

During test check of the registration records, tax ledgers and general index registers of 18 Regional Transport Offices (RTOs) and District Transport Offices (DTOs) for the period 2010-11 to 2012-13, it was noticed (between May 2013 and March 2014) that motor vehicle tax and special road tax in respect of 4,054 vehicles for the period between April 2010 and March 2013 were either not paid or paid short by the owners of these vehicles. There was nothing on record to show that the vehicles were off the road or were transferred to any other District/State. The taxation officers did not initiate any action to realise the tax due. This resulted in non/short realisation of tax and surcharge amounting to ₹ 12.37 crore as mentioned below:

Sl. No.	Category of vehicles	No. of vehicles	Period of tax	Amount (₹ in crore)	Name of office
(1)	(2)	(3)	(4)	(5)	(6)
1	Goods vehicles	1,204	April 2010 to March 2013	2.33	RTOs- Ajmer, Udaipur, Kota, Jodhpur, Bharatpur, Bikaner, Dausa and Sikar; DTOs- Dholpur, Bhilwara, Banswara, Churu, Nagaur, Hanumangarh, Tonk and Jhalawar.
2	Contract carriages (seating capacity upto 13 persons excluding driver)	1,638	April 2010 to March 2013	3.02	RTOs- Kota, Jodhpur, Bharatpur, Bikaner, Dausa, Sikar, Ajmer, and Udaipur; DTOs- Dholpur, Nagaur, Hanumangarh, Tonk, Jhalawar, Jaipur (CC), Bhilwara, Dungurpur and Churu.
3	Contract carriages (seating capacity more than 13 persons excluding driver)	190	April 2010 to March 2013	3.40	RTOs- Jodhpur, Udaipur, Bikaner and Sikar; DTOs- Nagaur, Hanumangarh, Jaipur (CC) and Churu.
4	Stage carriages	118	April 2010 to March 2013	0.82	RTOs- Jodhpur, Dausa, Sikar and Udaipur; DTOs- Nagaur, Hanumangarh and Jhalawar.
5	Articulated goods vehicles	503	April 2010 to March 2013	1.41	RTOs- Kota, Jodhpur, Bikaner, Sikar, Ajmer and Udaipur; DTOs- Nagaur, Hanumangarh, Tonk and Bhilwara.

(1)	(2)	(3)	(4)	(5)	(6)
6	Passenger vehicles kept without permits	12	April 2012 to March 2013	0.13	RTOs- Jodhpur and Udaipur.
7	Dumpers/ tippers	361	April 2010 to March 2013	1.15	RTOs- Kota, Jodhpur, Bharatpur, Bikaner, Sikar, Ajmer and Udaipur; DTOs- Nagaur, Tonk, Jhalawar, Bhilwara, Dungurpur and Churu.
8	Private service vehicles	28	April 2011 to March 2013	0.11	DTO-Jaipur (CC)
Total		4,054		12.37	

After the matter was pointed out (between June 2013 and May 2014), the Government stated (August 2014) that in respect of 890 vehicles, ₹ 2.35 crore had been recovered and in respect of 35 vehicles, ₹ 0.08 crore were not recoverable due to deposit of lump sum tax, etc. However, the records produced at the time of audit did not reflect the stated position. The report on progress of recovery in the remaining cases is awaited (December 2014).

3.5 Short realisation of special road tax, surcharge and penalty in respect of stage carriages of fleet owner

As per the Government of Rajasthan, Transport Department's notification dated 11 June 2008, special road tax (SRT) on stage carriages owned by a fleet owner shall be payable at the rate of 2.05 per cent of the cost of chassis of the entire fleet of vehicles used or kept for use as stage carriages. The monthly tax was required to be deposited on or before 14th day of each month failing which penalty at the rate of 1.5 per cent per month was leviable for delayed payment. Surcharge was leviable at the rate of 10 per cent on tax.

Scrutiny of records of Regional Transport Officer, Jaipur for the year 2012-13 disclosed (December 2013) that the Rajasthan State Road Transport Corporation (RSRTC) was required to deposit an amount of ₹ 115.59 crore on account of tax surcharge and penalty during the year 2012-13. RSRTC, however, deposited only ₹ 112.77 crore on account of tax, interest, surcharge and penalty. This resulted in short realisation of SRT, surcharge and penalty amounting to ₹ 2.81 crore.

The omission was pointed out to the Department and reported to the Government (between December 2013 and May 2014). No reply has been received (December 2014).

3.6 Non-recovery/short recovery of outstanding instalments of lump-sum tax

Under section 4-C of the RMVT Act, 1951, a lump-sum tax on transport vehicles shall be levied at the rates prescribed by notification from time to time by the State Government. The lump-sum tax payable may be paid in full or in three equal instalments within a period of one year. Surcharge was leviable at the rate of 10 *per cent* on tax.

During test check of the records of eight Regional Transport Offices (RTOs)/ District Transport Offices (DTOs)¹ for the years 2010-11 to 2012-13, it was noticed (between March 2013 and March 2014), that the owners of 202 transport vehicles opted to pay lump-sum payment of tax in three equal instalments. The owners paid the first instalment in full but the remaining instalments were either not paid or tax deposited was less than the tax dues. The taxation officers also did not initiate any action to realise the amount of tax due. This resulted in non-realisation of lump-sum tax amounting to ₹ 78.10 lakh.

The matter was reported to concerned offices and the Government (between June 2013 and May 2014). The Government stated (August 2014) that in respect of 56 vehicles, ₹ 16.38 lakh had been recovered. The report on action taken in remaining cases is awaited (December 2014).

¹ RTO- Kota, Jodhpur, Sikar, Udaipur. DTO- Jaipur(CC), Jhalawar, Dungurpur, Bhilwara.

