

CHAPTER-V
TAXES ON VEHICLES, GOODS AND
PASSENGERS

CHAPTER V: TAXES ON VEHICLES, GOODS AND PASSENGERS

5.1 Tax administration

5.1.1 Taxes on vehicles

Registration of motor vehicles, issue of permits, issue of driving/conductor licenses, levy and collection of Motor Vehicle Tax (MVT), permit fee and license fee are governed by the Motor Vehicles Act, 1988, (MV Act), the Central Motor Vehicles Rules, 1989 (CMVR), the Haryana Motor Vehicles Rules, 1993, the Punjab Motor Vehicles Taxation Act, 1924 (PMVT Act), as applicable to the State of Haryana and the Punjab Motor Vehicles Taxation Rules, 1925. The Additional Chief Secretary to Government of Haryana is the administrative head of the Transport Department and is assisted by the Transport Commissioner who exercises general superintendence over the functioning of the Department. The powers of Registering and Licensing Authority (RLA) are being exercised by Sub-Divisional Officers (Civil) in respect of non-transport vehicles, while Secretaries, Regional Transport Authorities (RTAs) are exercising the powers of RLA in respect of transport vehicles including goods vehicles.

5.2 Results of audit

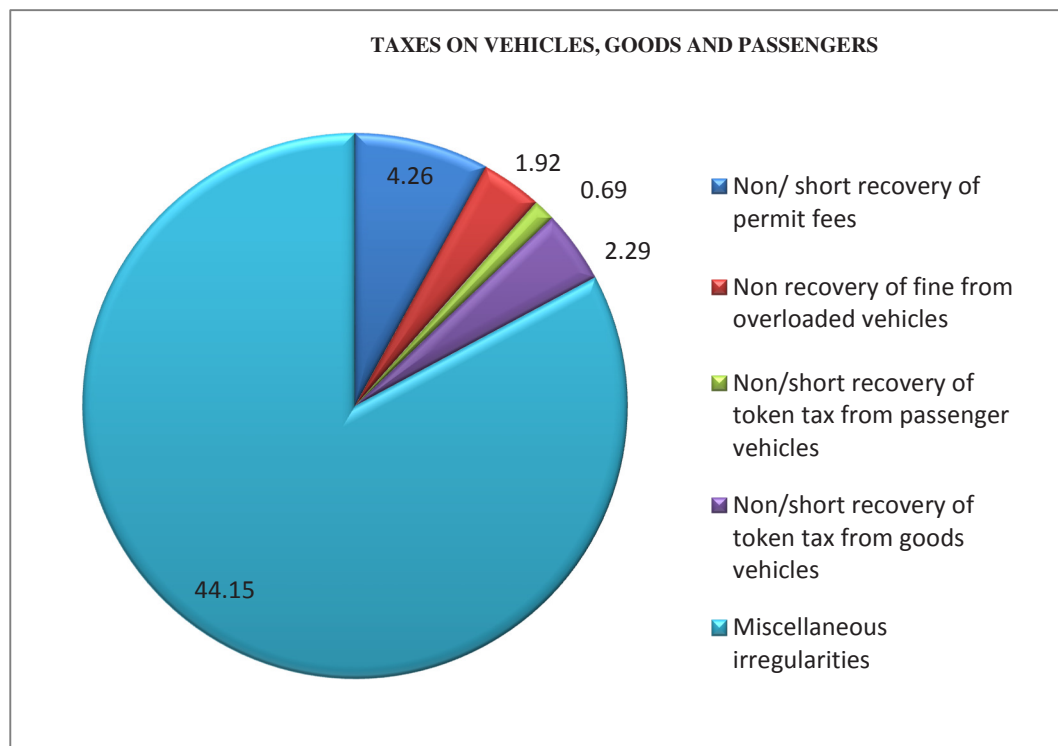
In 2018-19, test check of the records of 57 out of 94 units of Transport Department revealed non/short recovery of permit fee, fine from over loaded vehicles, token tax from goods and passenger vehicles and other miscellaneous irregularities involving ₹ 53.31 crore (1.92 per cent of receipt of ₹ 2,777.57 crore for the year 2017-18) in 5,387 cases which fall under following categories as detailed in **Table 5.1**.

Table 5.1- Results of Audit

Sr. No.	Categories	Number of cases	Amount (₹ in crore)
1.	Non/short recovery of permit fees	2,029	4.26
2.	Non recovery of fine from overloaded vehicles	1,136	1.92
3.	Non/short recovery of token tax from passenger vehicles	554	0.69
4.	Non/short recovery of token tax from goods vehicles	954	2.29
5.	Miscellaneous irregularities	714	44.15
Total		5,387	53.31

Chart 5.1

(₹ in crore)



During the year, the Department accepted under assessment and other deficiencies amounting to ₹ 6.50 crore involved in 3,163 cases which were pointed out during the year. The Department recovered ₹ 19.95 lakh in 39 cases, out of which ₹ 10.72 lakh was recovered in 32 cases pertaining to the year and rest to earlier years.

Significant cases involving ₹ 1.67 crore are discussed in the following paragraphs.

5.3 Non/short realisation of Motor Vehicle tax and penalty

Owners of 597 transport and goods vehicles had not deposited or short deposited Motor Vehicle Tax during the year 2017-18 resulting in non/short realisation of Motor Vehicle tax of ₹ 69.61 lakh. In addition, penalty of ₹ 69.61 lakh was also leviable.

As per Haryana Government Notification dated 28 March 2017 and dated 29 September 2017, tax shall be leviable quarterly in the first month of quarter at prescribed rates on motor vehicles. In case of omission to comply with the provisions, penalty at the rate of 0.5 per cent of the tax due for each day of delay will be charged. The actual amount of penalty shall not exceed the amount of tax due. The applicable rates of Motor Vehicle Tax are given below:-

Goods Carriages (Annual Tax)	Rates applicable from 01.04.2017 to 30.09.2017 payable quarterly	Rates applicable from 1.10.2017 payable monthly/quarterly/ yearly
Not exceeding 1.2 tonnes	₹ 500	₹ 300
Exceeding 1.2 tonnes but not exceeding 6 tonnes	₹ 7,875	₹ 7,200
Exceeding 6 tonnes but not exceeding 16.2 tonnes	₹ 10,400	₹ 9,600
Exceeding 16.2 tonnes but not exceeding 25 tonnes	₹ 16,400	₹ 15,500
Exceeding 25 tonnes	₹ 24,400	₹ 22,500
Passenger Vehicles (Annual Tax)	Payable quarterly	Payable monthly/quarterly
Four to six seats excluding driver (four wheeler)	₹ 625 per seat per year	₹ 625 per seat per year
Seven to twelve seats excluding driver (four wheeler)	₹ 1,450 per seat per year	₹ 1,450 per seat per year

Scrutiny of records relating to 11,112 out of 1,37,416 transport vehicles (April and December 2018) of offices of six¹ Regional Transport Authorities (RTA) revealed that the owners of 597² goods carriages and passenger vehicles had not deposited the tax of ₹ 62.51 lakh in 522 cases and short deposited tax of ₹ 7.10 lakh in 75 cases during the year 2017-18. No action had been taken by the Department to recover the tax. This resulted in non/short realisation of tax amounting to ₹ 69.61 lakh³. Besides, penalty of ₹ 69.61 lakh was also leviable as per Rule.

On this being pointed out, RTAs Fatehabad and Nuh stated (April 2019 and February 2020) that an amount of ₹ 8.57 lakh had been recovered. All the RTAs stated that efforts would be made to recover the balance amount of ₹ 1.31 crore.

¹ Ambala, Fatehabad, Karnal, Nuh, Panchkula and Sirsa.

² Passenger vehicle: Nuh: 31 and Karnal: 65, Goods carriages: Nuh:100, Karnal:27, Panchkula:20, Sirsa:31, Fatehabad:32 and Ambala:291.

³ Passenger vehicle: Karnal: ₹ 6.73 lakh and Nuh: ₹ 1.78 lakh.
Goods carriages: Ambala: ₹ 27.92 lakh, Fatehabad: ₹ 4.14 lakh, Karnal: ₹ 4.66 lakh
Nuh: ₹ 17.30 lakh, Panchkula: ₹ 2.24 lakh and Sirsa: ₹ 4.84 lakh.

The matter was reported to the Transport Department between November 2018 and January 2019 and to the Government in May 2019; their replies were awaited.

The Government may consider strengthening internal audit wing to ensure timely realisation of Motor Vehicle Tax.

5.4 Non recovery of penalty imposed on transport vehicles

Owners of 97 transport vehicles had not deposited the due penalty for various offences under Motor Vehicle Act, 1988, resulting in non realisation of penalty of ₹ 28.28 lakh.

Section 194 of Motor Vehicle (MV) Act, 1988 provides that a person who drives a motor vehicle carrying goods exceeds the weight/gross vehicle weight specified in the certificate/registration of the vehicles under Section 113 of the MV Act, is liable to pay a minimum fine of ₹ 2,000 and an additional amount of ₹ 1,000 per tonne of excess load, together with the offloading charges of the excess load. Further, the revised notification of the Haryana Government dated 19 April 2017 states that if a motor vehicle driver carries over weight upto 25 per cent of the permissible load carrying capacity is liable to pay a minimum fine of two thousand rupees and an additional amount of one thousand rupees per tonne of excess load and if it exceeds 25 per cent of the permissible load carrying capacity he will be liable to pay a minimum fine of five thousand rupees and an additional amount of two thousand rupees per tonne of excess load, together with the offloading charges of the excess load.

Further, as per note below notification dated 28 March 2017, in case where the vehicle is registered in the State is found to be used without paying the due tax or for a different purpose than the purpose for which it is granted a permit, penalty of ₹ 10,000 shall be charged for Light Motor Vehicle and ₹ 25,000 in the case of other motor vehicle and the amount of penalty in the cases where the vehicles are registered in other States shall be ₹ 20,000 for Light Motor Vehicle and ₹ 50,000 in the case of other motor vehicle.

Scrutiny of records (September 2017 to December 2018) of five⁴ Regional Transport Authorities (RTAs) offices for the years 2016-17 and 2017-18 revealed that out of 5,926 challans issued, penalty of ₹ 28.28 lakh was to be imposed on 97⁵ transport vehicles for different offences (without paying MV Tax 10 cases - penalty ₹ 4,40,000, Commercial use of personnel vehicle two cases - penalty ₹ 50,000, overloading 85 cases - penalty ₹ 23,37,895) under

⁴ Jhajjar, Kaithal, Karnal, Kurukshetra and Yamunanagar.

⁵ Jhajjar:52, Kaithal:09, Karnal:20, Kurukshetra:06 and Yamunanagar:10.

Motor Vehicle Act. No action was taken by the Department to recover the amount of penalty. This resulted in non-realisation of penalty amounting to ₹ 28.28 lakh.

On this being pointed out, RTAs Kurukshetra, Karnal and Kaithal stated (between January and April 2019) that the amount of ₹ 2.80 lakh had been recovered in seven challans. All the five RTAs stated (between May 2018 and April 2019) that efforts would be made to recover the balance amount of ₹ 25.48 lakh.

The matter was reported to the Transport Department between January 2018 and January 2019 and to the Government in May 2019; their replies were awaited.

The Department needs to strengthen its internal control mechanism to ensure that government revenue is collected properly.

The instances of deficiencies pointed out by Audit are based on test checked cases. The Department may take appropriate action to review all similar cases.

