

OVERVIEW

The Report contains 51 paragraphs including two reviews relating to non/short levy of taxes, interest, penalty etc., involving Rs. 443.46 crore. Some of the major findings are mentioned below:

1 GENERAL

- The total revenue receipts of the State Government for the year 2007-08 amounted to Rs. 54,142.55 crore against Rs. 44,245.47 crore for the previous year. 66 *per cent* of this was raised by the State through tax revenue (Rs. 28,794.05 crore) and non-tax revenue (Rs. 7,064.13 crore). The balance 34 *per cent* was received from the Government of India as State share of divisible Union taxes (Rs. 11,183.64 crore) and grants-in-aid (Rs. 7,100.73 crore).

(Paragraph 1.1)

- At the end of March 2008, the arrears of revenue in land revenue, taxes on vehicles, purchase tax on sugarcane and taxes and duties on electricity etc., amounted to Rs. 2,412.71 crore, of which Rs. 861.78 crore were pending for more than five years.

(Paragraph 1.6)

- Test check of the records of sales tax, land revenue, taxes on vehicles, stamp duty and registration fee and other departmental offices conducted during the year 2007-08 revealed underassessment/short levy/loss of revenue amounting to Rs. 1,057.82 crore in 1887 cases.

(Paragraph 1.7)

2 SALES TAX

- Under declaration of value added tax (VAT) by a dealer resulted in short payment of tax of Rs. 72 crore.

(Paragraph 2.2.1)

- In two large tax payers units (LTUs) and 46 circles, tax on works contracts amounting to Rs. 15.58 crore was short levied.

(Paragraph 2.5)

- While levying tax, the assessing authorities of the Commercial Taxes Department omitted to levy penalty and interest of Rs. 12 crore in 23 tax evasion cases reported by the Vigilance and Enforcement Department.

(Paragraphs 2.6.1 & 2.6.2)

- The State Government claimed excess compensation of Rs. 10.71 crore from Central Government on account of loss incurred due to introduction of VAT.

(Paragraph 2.7)

- In six circles, tax collected while availing sales tax exemption was not remitted to Government to the extent of Rs. 1.61 crore.

(Paragraph 2.8.1)

- In one LTU and six circles, incorrect allowance of sales tax exemption/deferment resulted in loss of revenue of Rs. 1.59 crore.

(Paragraph 2.8.2)

- In one LTU and nine circles, exemption of turnover on invalid/fake declarations resulted in loss of revenue of Rs. 2.15 crore.

(Paragraphs 2.9.1.1 & 2.9.1.2)

- In three LTUs and nine circles, tax on inter-State sales not supported by declaration forms was either omitted to have been levied or levied at lower rate resulting in non/short levy of tax of Rs. 1.13 crore.

(Paragraph 2.9.2)

- Application of incorrect rate of tax resulted in short levy of tax of Rs. 2.80 crore in three LTUs and 39 circles involving 71 cases.

(Paragraph 2.10)

3 LAND REVENUE

A review of “**Assessment, levy and collection of water tax and royalties**” revealed the following points:

- Lack of co-ordination between Irrigation and Revenue departments resulted in non-realisation of royalty of Rs. 165.48 crore.

(Paragraph 3.2.7)

- Arrear demand of Rs. 2.06 crore was eliminated from Demand, Collection and Balance register.

(Paragraph 3.2.9.2)

- Royalty of Rs. 81.21 crore was not demanded from the Municipal Corporations.

(Paragraph 3.2.9.3)

- Water tax was either not levied or was levied at lesser rate resulting in non-realisation of revenue of Rs. 5.60 crore.

(Paragraph 3.2.12)

- Royalty of Rs. 67.99 crore was levied short on power generation units in three irrigation divisions.

(Paragraph 3.2.13)

- In two divisions, royalty was levied either incorrectly or at lesser rates, which resulted in short levy of royalty of Rs. 36.59 crore.

(Paragraph 3.2.14)

- Water tax of Rs. 18.40 crore due to Government was adjusted in excess to water user associations.

(Paragraph 3.2.17)

- In eight offices of the tahsildars, advance possession of land was given without finalising alienation proposals on account of which Rs. 432.91 crore remained unrealised.

(Paragraph 3.3.2)

- In 39 offices of the tahsildars, road cess amounting to Rs. 1.05 crore was either not levied or short levied.

(Paragraph 3.6)

4 TAXES ON VEHICLES

- In the offices of one Joint Transport Commissioner (JTC), 17 Deputy Transport Commissioners (DTCs) and 20 Regional Transport Officers (RTOs), quarterly tax of Rs. 7.74 crore and penalty of Rs. 15.49 crore were not levied.

(Paragraph 4.2)

- In one JTC, 17 DTCs and 18 RTOs, green tax aggregating to Rs. 20.45 crore was not levied and collected.

(Paragraph 4.3)

- In 38 transport offices penalty of Rs. 10.49 crore was short levied for belated payment of tax.

(Paragraph 4.4)

- In one JTC, 15 DTCs and 16 RTOs, life tax and penalty were not levied resulting in non-realisation of revenue of Rs. 4.30 crore.

(Paragraph 4.5.1)

- Issue/renewal of 6,91,002 driving licences during 2006-07 at pre-revised rates resulted in short levy of fee of Rs. 3.46 crore.

(Paragraph 4.6)

5 STAMP DUTY AND REGISTRATION FEES

A review of “**Computer aided Administration of Registration Department –CARD**” revealed the following points:

- The department did not have any ‘disaster recovery and business continuity plan’.

(Paragraph 5.2.8)

- Non-mapping of articles as per Indian Stamp Act resulted in discrepancies in CARD master data.

(Paragraph 5.2.10)

- Non-mapping of business rules in respect of lease agreements, registration fee etc., resulted in short levy of stamp duty.

(Paragraph 5.2.12)

- Undervaluation of properties due to adoption of incorrect market value.

(Paragraph 5.2.13)

- Lack of proper controls resulted in registration of prohibited properties.

(Paragraph 5.2.17)

- Lack of internal control mechanism lead to non-transformation of the vision into consistent performance.

(Paragraph 5.2.20)

- In eight DRs and 30 SRs, incorrect adjustment of stamp duty resulted in short realisation of Government revenue of Rs. 6.99 crore.

(Paragraphs 5.3.1 & 5.3.2)

- In two DRs and eight SRs, misclassification of documents resulted in short levy of stamp duty and registration fees of Rs. 3.07 crore.

(Paragraph 5.4.1)

- In one DR and 21 SRs, adoption of incorrect rate resulted in short levy of stamp duty of Rs. 1.33 crore.

(Paragraph 5.5.1)

- In two SRs, non-execution of sale deeds resulted in loss of revenue of Rs. 1.31 crore.

(Paragraph 5.6)

6 OTHER TAX AND NON-TAX RECEIPTS

INDUSTRIES AND COMMERCE DEPARTMENT

Purchase tax on sugar cane

- In two offices of Assistant Cane Commissioners, penalty amounting to Rs. 5.89 crore was not levied on removal of sugar without payment of purchase tax.

(Paragraph 6.2)

Mines and Minerals

- Seigniorage fee of Rs. 59.96 lakh, recovered from contractors' bills during the years 2000-01 to 2005-06 was not remitted to Government account in three offices.

(Paragraph 6.3)

TRANSPORT, ROADS AND BUILDINGS DEPARTMENT

Transport Commissioner

- Professions tax of Rs. 3.60 crore was not levied and collected from the owners of 47,979 vehicles on road for the year 2006-07.

(Paragraph 6.5)

REVENUE DEPARTMENT

State Excise Duties

- In one Distillery Office non-levy of additional licence fees on additional production of IML resulted in short levy of licence fees of Rs. 20 lakh.

(Paragraph 6.7)

ENVIRONMENT, FOREST, SCIENCE AND TECHNOLOGY DEPARTMENT

- Incorrect computation/demand of rentals by two DFOs resulted in short realisation of revenue by Rs. 19.45 lakh.

(Paragraph 6.9)