
OVERVIEW

This Report contains 26 paragraphs including two reviews, relating to non/short levy of taxes, fees, interest and penalty etc. involving Rs. 920.60 crore. Some of the major findings are mentioned below:

I. GENERAL

Total receipts of the State during 2005-2006 amounted to Rs. 12045.39 crore of which revenue raised by the State Government was Rs. 4691.49 crore. The revenue raised by the State Government constituted 39 *per cent* of the total receipts of the State and showed 1 *per cent* increase over 2004-2005.

(Paragraph 1.1)

The arrears of revenue as on 31 March 2006 in respect of some principal heads of revenue amounted to Rs. 767.51 crore of which Rs. 164.30 crore were outstanding for more than five years.

(Paragraph 1.5)

In respect of taxes administered by the Finance Department, such as sales tax and other taxes, 88,695 assessments were completed during 2005-2006 leaving balance of 78,763 cases pending for assessments as on 31 March 2006.

(Paragraph 1.6)

Test check of records of sales tax, taxes on vehicles, state excise, forest receipts, other tax and non tax receipts conducted during the year 2005-2006 revealed under assessment/short levy/short demand and loss of revenue amounting to Rs. 992.74 crore in 2,518 cases. The concerned departments accepted under assessment, short levy etc. of Rs. 0.81 crore pointed out in 2005-2006 and earlier years and recovered Rs. 0.18 crore.

(Paragraph 1.7)

II. SALES TAX

Failure of the assessing officer to assess the entire turnover of a dealer resulted in short levy of tax of Rs. 14.54 crore including interest

(Paragraph 2.2)

Failure of the assessing officers to detect suppression of turnover resulted in short levy of tax of Rs. 14.86 crore including penalty.

(Paragraph 2.3)

Short levy of tax of Rs. 1.59 crore (including interest) due to acceptance of invalid forms by the assessing officer.

(Paragraph 2.4)

Incorrect adjustment of tax by the assessing officer resulted in excess allowance of credit of tax of Rs. 36 lakh.

(Paragraph 2.5)

Misclassification of goods resulted in non/short levy of tax of Rs. 61.05 lakh.

(Paragraph 2.8)

Interest of Rs. 21.93 lakh in 11 cases was either not levied or levied short by the assessing officers.

(Paragraph 2.9)

Failure of the assessing officer to cross verify declaration forms resulted in evasion of tax of Rs. 48.49 lakh including interest.

(Paragraph 2.13)

Incorrect grant of exemption on inter state sale resulted in non/short levy of tax of Rs. 4.81 crore.

(Paragraph 2.14)

Incorrect grant of exemption from payment of tax resulted in short levy of tax of Rs. 1 crore.

(Paragraph 2.15)

III. STATE EXCISE

A review on ‘Receipts in the State Excise department’ revealed that:

Non/short lifting of country spirit against permits resulted in loss of revenue of Rs. 8.89 crore.

(Paragraph 3.2.9)

Non transfer of 3998 cases of India made foreign liquor/beer from a non functioning bonded warehouse resulted in blockage of excise duty of Rs. 11.68 lakh.

(Paragraph 3.2.11)

Inadmissible godown loss allowed to bonded warehouses/distilleries resulted in loss of revenue of Rs. 1.65 crore.

(Paragraph 3.2.12)

Allowing transit loss in excess of permissible limit resulted in loss of revenue of Rs. 76.21 lakh.

(Paragraph 3.2.13)

Failure to ensure the minimum stock balance in country spirit warehouses resulted in loss of excise duty of Rs. 33.23 lakh.

(Paragraph 3.2.14)

IV. TAXES ON MOTOR VEHICLES

Failure of the department to review the combined registers and raise demand for payment of taxes on vehicles resulted in non realisation of Rs. 43.48 lakh.

(Paragraph 4.2)

Non assignment of new registration number to vehicles from other States resulted in non collection of registration fee/tax amounting to Rs. 8.88 lakh.

(Paragraph 4.4)

V. OTHER TAX RECEIPTS

Failure to levy and collect stamp duty at revised rates resulted in short realisation of Rs. 6.83 lakh.

(Paragraph 5.2)

VI. NON TAX RECEIPTS

Inaccurate quantification of forest produce and non disposal thereof through tender or auction at competitive rates resulted in loss of revenue of Rs. 72.70 lakh.

(Paragraph 6.2)

Failure of the divisional officers to collect royalty at revised rates resulted in short realisation of revenue of Rs. 15.74 lakh.

(Paragraph 6.4)

A review on "Interest Receipts" revealed the following :

Interest and penal interest of Rs. 55.06 crore recoverable were neither worked out nor demanded by Industries and Commerce Department.

(Paragraph 6.6.11)

Interest and penal interest of Rs. 65.67 crore recoverable were neither worked out nor demanded by Urban Development Department.

(Paragraph 6.6.13)

No action was taken by the Co-operation Department for recovery of interest and penal interest of Rs. 25.50 crore.

(Paragraph 6.6.14)