

## OVERVIEW

This report contains 33 paragraphs including one review relating to non/short levy of tax, interest etc. involving Rs. 206.42 crore. Some of the major findings are mentioned below:

### **I. General**

Total receipts of the Government of Bihar for the year 2006-07 were Rs. 23,083.19 crore. The revenue raised by the State Government amounted to Rs. 4,544.36 crore comprising tax revenue of Rs. 4,033.08 crore and non-tax revenue of Rs. 511.28 crore. The receipts from the Government of India were Rs. 18,538.83 crore (States' share of divisible Union taxes: Rs. 13,291.72 crore and grants in aid: Rs. 5,247.11 crore). Thus, the State Government could raise only 20 per cent of total revenue.

*(Paragraph 1.1.1)*

Test check of the records of commercial taxes, State excise, taxes on vehicles, land revenue, non-ferrous mining and metallurgical industries and other departmental offices conducted during the year 2006-07 revealed under assessment/short levy/loss of revenue of Rs. 607.01 crore in 4,643 cases. During the year 2006-07, the concerned departments accepted under assessments and other deficiencies of Rs. 237.82 crore involved in 746 cases.

*(Paragraph 1.10)*

The number of inspection reports and paragraphs issued upto December 2006 but not settled by June 2007 stood at 3,126 and 16,835 respectively involving Rs. 3,273.56 crore. For 2,237 inspection reports, even first replies have not been received though these were required to be furnished within one month of their receipt.

*(Paragraph 1.11)*

### **II. Taxes on sales, trade etc.**

In one commercial taxes circle, excise duty of Rs. 125 crore was not included in the turnover of a dealer, which resulted in short levy of tax of Rs. 21.87 crore including additional tax and surcharge.

*(Paragraph 2.2.1.1)*

In one commercial taxes circle, in case of a dealer, though the interstate sale of goods valued as Rs. 72.33 crore was not supported by the declaration forms, tax was levied at lower rates. This resulted in underassessment of tax of Rs. 9.64 crore.

*(Paragraph 2.3.1)*

In 10 commercial taxes circles, suppression of sales/purchase turnover of Rs. 47.69 crore by 35 dealers resulted in short levy of tax of Rs. 8.04 crore.

*(Paragraph 2.4)*

In one commercial taxes circle, incorrect allowance of exemption of Rs. 46.01 crore resulted in short levy of tax of Rs. 1.79 crore including additional tax and surcharge.

*(Paragraph 2.5.1)*

### **III. State excise**

In seven excise districts, the retail licensees did not lift the minimum guaranteed quota during the year 2002-03 to 2005-06 leading to the loss of revenue of Rs. 47.98 crore.

*(Paragraph 3.2.1)*

In 10 excise districts, 219 country spirit, 153 spiced country spirit and 75 India made foreign liquor shops were settled after a lapse of time ranging between 1 and 11 months resulting in loss of revenue of Rs. 11.85 crore.

*(Paragraph 3.3.1)*

### **IV. Taxes on motor vehicles**

In eight district transport offices, certificates of fitness were issued to 95 transport vehicles without ensuring uptodate payment of tax, which resulted in non-realisation of tax of Rs. 2.74 crore (including penalty) for the period between July 2002 and July 2006.

*(Paragraph 4.2)*

In 30 district transport offices, tax dues of Rs. 27.38 crore (including penalty) pertaining to 1,198 transport vehicles for the period July 2002 to June 2006 were neither paid by the vehicle owners nor action was taken towards realisation of dues by the tax authorities concerned.

*(Paragraph 4.3)*

### **V. Other tax receipts**

Non-fixation of commercial rent for conversion of agricultural land for commercial purposes by tenants resulted in non-realisation of revenue of Rs. 1.18 crore.

*(Paragraph 5.2)*

Suppression of import value of scheduled goods by three dealers registered in three commercial taxes circles between 2001-02 and 2004-05 resulted in short levy of entry tax of Rs. 39.60 lakh including minimum penalty leviable.

*(Paragraph 5.4)*

### **VI. Non-tax receipts**

A review of “**Receipts from Mines and Minerals**” revealed the following:

Lack of a system to review the brick kiln registers maintained by the district mining officers to monitor non-payment of royalty by the defaulting brick kiln owners by the Director of Mines led to non-levy of penalty of Rs. 7.89 crore.

*(Paragraph 6.2.7)*

Lack of a system to ensure that the Director of Mines reviewed the verification particulars of forms conducted by the district mining officers/assistant mining officers led to non-levy of penalty of Rs. 12.79 crore against the works contractors.

*(Paragraph 6.2.8)*

The district mining officer failed to reconcile the departmental figures with the treasury figures resulting in misappropriation of Rs. 1.70 crore.

**(Paragraph 6.2.10)**

Non-execution of deeds for settlement of 44 stone quarries and sand *ghats* in eight DMOs during 2001-02 to 2006-07 resulted in non/short realisation of stamp duty of Rs. 3.60 crore.

**(Paragraph 6.2.12)**

In five district mining offices, 118 sand *ghats* with reserve price of Rs. 9.64 crore remained unsettled, resulted in loss of revenue of Rs. 8.95 crore.

**(Paragraph 6.2.13)**

In seven divisions *Khatiani* for 2.11 lakh hectares of *kharif* and 2.17 lakh hectares of *rabi* land irrigated during the years 2001-02 to 2005-06 were not prepared and forwarded to the revenue divisions concerned for raising demand and collection of water rates for Rs. 8.56 crore.

**(Paragraph 6.3)**

In two forest divisions a sum of Rs. 86.56 lakh was not realised from the encroachers of 14.92 hectares of forest land.

**(Paragraph 6.6)**