

CHAPTER 6 : Other Tax Receipts

6.01 Results of Audit

Test check of the records of the following receipts, conducted in audit during the year 2001-02, revealed under assessments of tax, fee, duty and losses of revenue etc., which broadly fall under the following categories: -

(Rupees in crore)

Sl. No.	Category	No. of cases	Amount
A.	TAXES ON GOODS AND PASSENGERS-TAX ON ENTRY OF GOODS INTO LOCAL AREAS		
1.	Non/short levy of tax	33	4.84
	Total	33	4.84
B.	STAMPS AND REGISTRATION FEES		
1.	Short levy due to misclassification of documents	221	0.40
2.	Irregular grant of exemption	124	0.46
3.	Short realisation of Stamp duty and Registration fee due to late receipt of revised rates	70	0.03
4.	Other cases	25155	15.61
	Total	25570	16.50
C.	TAXES ON SUGARCANE		
1.	Non-levy of interest on arrears of tax	8	1.59
2.	Other cases	1	2.84
	Total	9	4.43
D.	ENTERTAINMENTS TAX		
1.	Short levy of entertainments tax	3	0.17
	Total	3	0.17

During the year 2001-02, the concerned department accepted under assessments etc. of Rs.4.69 crore in 5242 cases of which 1270 cases involving Rs. 1.31 crore had been pointed out in audit during 2001-02 and the rest in earlier years.

A few illustrative cases involving tax effect of Rs. 28.12 crore are discussed in the following paragraphs:-

ENTRY TAX

6.02 Non-levy of penalty

Under the Bihar Finance Act, 1981 read with the Bihar Tax on Entry of Goods Act, 1993 (BTEG Act), if a registered dealer fails to make payment of the tax due within the stipulated time, the assessing authority shall impose a penalty at the prescribed rates. Further, by an executive order issued in March 1996, realisation of admitted tax due was to have been made by 31 March 1996.

In Begusarai Circle, it was noticed (June 2001) that a dealer failed to deposit the admitted tax during the period 1993-94 to 1995-96 and 1998-99 (assessed in July 1997 and May 2000) amounting to Rs. 52.63 crore by due dates. The extent of delay ranged between 7 days and 14 months 9 days; thus, the dealer was liable to pay minimum penalty of Rs. 27.46 crore.

On this being pointed out (June 2001), the department raised the demand for the entire amount (September 2002); Further reply has not been received (November 2002).

The case was reported to the Government (May 2002); their reply has not been received (November 2002).

6.03 Short levy of Entry Tax

Under the BTEG Act, 1993 and rules framed thereunder, tax on entry of scheduled goods into a local area shall be levied and collected on the import value of such goods. Entry Tax on 'cement' is leviable at the rate of 5 per cent.

In Special Circle, Patna it was noticed (March 2001) that a dealer imported cement valued at Rs. 57.30 crore during 1998-99 but tax was levied (December 1999) on Rs. 50.39 crore only. Thus import of cement valued at Rs. 6.91 crore escaped assessment resulting in short levy of entry tax amounting to Rs. 34.57 lakh.

On this being pointed (March 2001) the department stated that the case would be examined. Further reply has not been received (November 2002).

The case was reported to the Government (May 2002); their reply has not been received (November 2002).

6.04 Non-levy of Entry Tax

Under the provisions of the BTEG Act, 1993 and rules framed thereunder a tax on entry of scheduled goods into a local area shall be levied and collected at a rate not exceeding 5 per cent of the import value of such goods. Further, every dealer/person dealing in scheduled goods, or who imports goods above specified quantum, is required to be registered under the BTEG Act. Failure to

apply for registration may render him liable for penalty at the prescribed rates. Entry tax on "Tobacco Products" is leviable at the rate of 3 per cent.

In 2 commercial taxes circles (Saran and Danapur) it was seen (January and June 2001) that 3 unregistered dealers under BTEG Act, imported cigarette and *Zarda* valued at Rs. 3.90 crore during the year 1993-94 to 1999-2000. Entry tax amounting to Rs. 30.86 lakh (including penalty and fine) was leviable but not levied.

On these being pointed out (January 2001), the department stated (September 2002) that in two cases (Saran) demand for Rs. 8.35 lakh had been raised while in case of Danapur it was stated (June 2001) that cases would be reviewed. Further reply has not been received (November 2002).

The cases were reported to the Government (February and May 2002); their reply has not been received (November 2002).