

## CHAPTER III - TAXES ON VEHICLES

### 3.1 Results of audit

Test check of the records of the Transport Department conducted during the year 2006-07 revealed non-realisation of tax and loss of revenue amounting to Rs. 3.10 crore in 15 cases, which fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
1.	Non/short realisation of vehicle tax	10	1.21
2.	Other irregularities	5	1.89
<b>Total</b>		<b>15</b>	<b>3.10</b>

During the year 2006-07, the department accepted loss of revenue and other deficiencies amounting to Rs. 2.89 crore involved in 12 cases.

An illustrative case involving Rs. 1.27 crore highlighting an important audit finding is mentioned in the following paragraph.

### **3.2 Non-realisation of vehicle tax and penalty**

Under the provisions of the Chhattisgarh Motoryan Karadhan Adhiniyam (MVT Act), 1991, tax shall be levied on every motor vehicle used or kept for use in the State at the rate specified in the first schedule of the MVT Act. In case of non-payment of tax, the owner shall be liable to pay penalty at the rate of one twelfth of the unpaid tax for each month of default or part thereof, in addition to the unpaid tax.

Test check of the records of three<sup>6</sup> regional transport officers (RTO) between November 2005 and December 2006 revealed that the owners of 387 vehicles did not pay tax of Rs. 63.71 lakh for different periods between April 2003 and March 2006. The concerned RTOs neither raised any demand for the tax nor was penalty of Rs. 63.71 lakh levied for non-payment of the tax. This resulted in non-realisation of tax and penalty of Rs. 1.27 crore.

After the cases were pointed out, the RTOs stated between November 2005 and December 2006 that demand had been raised against the vehicles. A report on recovery has not been received (November 2007).

The matter was reported to the Government in January 2007 and May 2007; their reply has not been received (November 2007).

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<sup>6</sup> Durg, Jagdalpur and Raipur