

## CHAPTER – IV

### TAXES ON VEHICLES

#### 4.1 Results of audit

Test check of the records of the office of Commissioner of Transport and regional transport offices (RTOs) conducted during the year 2006-07 disclosed short levy of Rs. 13.22 crore in 146 cases. These cases broadly fall under the following categories:

**(Rupees in crore)**

Sl. No.	Category	No. of cases	Amount
1.	Short levy of motor vehicles tax	63	9.77
2.	Other irregularities	83	3.45
<b>Total</b>		<b>146</b>	<b>13.22</b>

During the year 2006-07, the department accepted and recovered underassessment of Rs. 52.11 lakh in two cases.

A few illustrative cases involving Rs. 8.95 crore are mentioned in the following paragraphs:

#### **4.2 Non-levy of motor vehicle tax**

The Bombay Motor Vehicles Tax Act, 1958 (BMVT Act) (as adapted by the State of Gujarat) prescribes that contract carriage and goods carriage vehicles shall pay assessed tax on monthly and half yearly basis respectively except for the period the vehicles are not in use. In case of delay in payment, interest at the rate of two *per cent* per month and if the delay exceeds one month, a penalty at the rate of two *per cent* per month subject to a maximum of 25 *per cent* of tax is also chargeable.

Test check of the records of 19<sup>37</sup> RTOs revealed that the owners of 538 contract carriages (omnibuses) and 844 vehicles used for transport of goods had neither paid the tax nor filed non-use declarations for various periods during 2001-02 to 2005-06. The amount of unpaid tax was Rs. 6.83 crore. Interest of Rs. 96 lakh and penalty of Rs. 89 lakh was also chargeable.

After the cases were pointed out, the department accepted audit observations in 1,288 cases involving Rs. 8.27 crore and recovered Rs. 66.77 lakh in 326 cases. Recoveries and replies in the remaining cases have not been received.

This was brought to notice of the Government (January 2007); their reply has not been received (October 2007).

#### **4.3 Non-levy of service charges**

Rule 117 C of the Gujarat Land Revenue Rules, 1972 provides for recovery of service charge at the rate of five *per cent* of the amount recovered as arrears of land revenue.

Test check of the records of nine<sup>38</sup> RTOs revealed that Mamlatdar (Recovery) had realised tax arrears of Rs. 5.39 crore in 2,385 cases during the period 2001-02 to 2005-06 as arrears of land revenue from the defaulters. The concerned officer did not levy service charge resulting in loss of revenue of Rs. 26.97 lakh.

After the cases were pointed out, the department accepted the audit observations in 59 cases and recovered Rs. 36,000. Reply in the remaining cases has not been received (October 2007).

This was brought to notice of the Government (January 2007); their reply has not been received (October 2007).

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<sup>37</sup> Ahmedabad, Amreli, Anand, Bardoli, Bharuch, Bhavnagar, Bhuj, Dahod, Gandhinagar, Godhra, Himatnagar, Jamnagar, Junagadh, Nadiad, Navsari, Surat, Surendranagar, Vadodara and Valsad.

<sup>38</sup> Ahmedabad, Bardoli, Bharuch, Bhuj, Himatnagar, Nadiad, Surat, Vadodara and Valsad.