

OVERVIEW

This Report contains 29 paragraphs relating to non/short levy of tax, penalty, interest etc., involving Rs. 94.53 crore. Some of the major findings are mentioned below:

I. General

1.1 The total revenue receipts of the Government of Gujarat in 2006-07 were Rs. 31,002.22 crore as against Rs. 25,066.87 crore during 2005-06. The revenue raised by the State from tax receipts during 2006-07 was Rs. 18,464.63 crore and from non-tax receipts was Rs. 4,948.78 crore. State's share of divisible Union taxes and grants-in-aid from the Government of India were Rs. 4,425.95 crore and Rs. 3,162.86 crore respectively. Thus the revenue raised by the State Government was 76 *per cent* of the total revenue receipts. The main source of tax revenue during 2006-07 was sales tax (Rs. 10,886.21 crore) and taxes and duties on electricity (Rs. 2,087.77 crore). The main receipt under non-tax revenue was from non-ferrous mining and metallurgical industries (Rs. 2,173.76 crore).

(Paragraph 1.1)

The arrears of revenue aggregating Rs. 8,877.81 crore remained unrealised under some principal heads of revenue at the end of 2006-07. The arrears were mainly in respect of taxes on sales tax, electricity duty, entertainments tax and state excise.

(Paragraph 1.5)

Test check of the records in the offices of sales tax, land revenue, state excise, motor vehicles tax, stamp duty and registration fees, electricity duty and other departmental offices conducted during 2006-07 revealed underassessment, short levy and loss of revenue of Rs. 589.36 crore in 1,248 cases. During the year, the concerned departments accepted underassessments of Rs. 6.91 crore in 152 cases and recovered Rs. 2.32 crore in 81 cases pointed out during 2006-07 and the earlier years.

(Paragraph 1.9)

II. Sales Tax

Concession of Rs. 110.71 crore was allowed to 248 dealers without obtaining the required declarations/certificates as required under the Central Sales Tax Act, 1956.

(Paragraph 2.2.1)

Penalty of Rs. 15.98 crore was not levied on short payment of sales tax.

(Paragraph 2.3)

Application of incorrect rate of tax resulted in short levy of tax of Rs. 2.04 crore from the dealers.

(Paragraph 2.4)

III. Land Revenue

Non-insertion of condition in the Government land allotment orders by the collectors regarding levy of conversion tax and non-agricultural assessment resulted in non-realisation of Government revenue of Rs. 20.11 crore.

(Paragraph 3.2)

Correction of records of rights without registered deeds resulted in loss of revenue of Rs. 1.08 crore.

(Paragraph 3.3)

IV. Taxes on Vehicles

Recovery actions were not initiated for recovery of motor vehicles tax amounting to Rs. 8.68 crore from defaulters i.e. 538 contract carriages and 844 vehicles used for transport of goods.

(Paragraph 4.2)

V. Stamp Duty and Registration Fees and Other Tax Revenue

Short recovery of stamp duty of Rs. 3.07 crore due to acceptance of appeal applications barred by limitation of time.

(Paragraph 5.2)

Short levy of stamp duty of Rs. 1.79 crore on documents comprising distinct matters.

(Paragraph 5.4)

Short levy of stamp duty and registration fees of Rs. 1.71 crore due to misclassification of documents.

(Paragraph 5.5)

VI. Non-Tax Receipts

Failure to raise demand resulted in short levy of royalty, dead rent, etc. of Rs. 3.34 crore.

(Paragraph 6.2)

Police cost of Rs. 41.94 crore not recovered from other State Governments, Railways, local bodies, private bodies and other commercial institutions.

(Paragraph 6.3)

Short recovery of police charges of Rs. 23.57 crore from Railways and Commercial institutions on account of incorrect application of rates.

(Paragraph 6.4)