

OVERVIEW

This report contains 48 paragraphs including one review relating to non/short levy of taxes, duties, royalty, fees, interest and penalty etc., involving Rs. 105.05 crore. Some of the major findings are mentioned below:

1. General

- The total receipts of the Government for the year 2007-08 were Rs. 9,141.54 crore. The revenue raised by the State Government during the year was Rs. 3,780.61 crore comprising tax revenue of Rs. 1,958.18 crore and non-tax revenue of Rs. 1,822.43 crore. The State Government also received Rs. 793.64 crore as State's share of divisible Union taxes and Rs. 4,567.29 crore as grants-in-aid from the Government of India.

(Paragraph 1.1)

- The arrears of revenue at the end of the year 2007-08 as reported by some departments were Rs. 512.43 crore. Of this, Rs. 113.28 crore was recoverable from various dealers on account of sales tax.

(Paragraph 1.5)

- Test check of the records of sales tax, state excise, taxes on vehicles, goods and passengers, forest receipts and other tax and non-tax receipts conducted during the year 2007-08, revealed under assessments/short levy/loss of revenue aggregating Rs. 218.62 crore, in 1,098 cases. During the course of the year 2007-08, the concerned departments accepted under assessments etc., of Rs. 42.55 crore in 187 cases.

(Paragraph 1.9)

2. Taxes on Sales, Trade etc.

- Acceptance of defective/incomplete statutory forms by the assessing authorities and allowing exemption/concessional rate of tax in the case of 69 industrial units resulted in short levy of tax of Rs. 30.20 crore in five districts.

(Paragraph 2.2)

- Incorrect exemption to two existing/new electronic assembly units resulted in underassessment of tax of Rs. 21.31 crore including interest.

(Paragraph 2.3)

- In 70 cases, the assessing authorities allowed exemption/concession on the turnover of Rs. 231.26 crore without obtaining certificate of genuineness from the Industries Department which resulted in irregular grant of concession of Rs. 9.36 crore in five districts.

(Paragraph 2.4)

- Irregular allowing of set off of tax of Rs. 1.76 crore to two industrial units resulted in underassessment of tax.

(Paragraph 2.5)

- In Kangra and Una districts, irregular allowing of concessional rate of tax to five industrial units on the sale of raw material without requisite certificate resulted in underassessment of tax of Rs. 1.20 crore.

(Paragraph 2.6)

3. State Excise

- Four licensees in four districts had belatedly paid bid money and monthly instalments of licence fee during the year 2006-07, resulting in non-levy/recovery of interest of Rs. 99.96 lakh from the licensees.

(Paragraph 3.2)

4. Taxes on Vehicles, Goods and Passengers

- Token tax of Rs. 1.73 crore was neither paid by 3,626 vehicle owners nor recovered by 31 registering and licensing authorities.

(Paragraph 4.2)

- In eight regional transport authorities, non/short payment of special road tax and non-levy of penalty resulted in non-recovery of Government dues of Rs. 2.60 crore.

(Paragraph 4.4 and 4.5)

5. Forest Receipts

- In six forest divisions, the costs of 20,880 trees (including saplings) of different species falling in the alignment area of projects/transmission lines etc. were charged at lower rates resulting in short recovery of revenue of Rs. 3.72 crore.

(Paragraph 5.2)

- In six forest divisions, non-charging of cost of 2,84,906 fence posts from the user agencies for compensatory afforestation and maintenance of plantation in the catchment area under the CAT plan in 2,925.5848 hectares of land resulted in non/short realisation of revenue of Rs. 3.20 crore.

(Paragraph 5.3)

- In 17 forest divisions, non-disposal of 1,136.39 cu.m of seized timber of different species valued as Rs. 2.72 crore resulted in blocking of revenue.

(Paragraph 5.4)

6. Other Tax and Non-Tax Receipts

A review of **Levy and collection of electricity duty** revealed as under:

- In the absence of enabling provisions in the HPED Act, electricity duty (ED) of Rs. 390.40 crore on sale of electricity could not be levied.

(Paragraph 6.2.9)

- Hotels being an industry were being charged ED at the commercial rates instead of industrial rates resulting in loss of ED of Rs. 80.79 lakh.

(Paragraph 6.2.11)

- Incorrect grant of eligibility certificate to five ineligible industrial units of Baddi, Darlaghat and Paonta Sahib resulted in incorrect exemption of Rs. 28.33 crore on account of ED.

(Paragraph 6.2.15)

- In 38 sub registrars, incorrect determination of the market value of property and incorrect preparation of *parta* resulted in short realisation of stamp duty and registration fee of Rs. 4.62 crore in 655 cases.

(Paragraph 6.3 and 6.4)