

## CHAPTER – VI: Other Tax Receipts

### 6.1 Results of audit

Test check of records of the following receipts, conducted in audit during the year 2002-03 revealed under assessments of tax, fee, duty and losses of revenue etc., amounting to Rs. 0.80 crore in 208 cases which broadly fall under the following categories: -

(Rupees in crore)			
Sl. No.	Category	No. of cases	Amount
<b>STAMPS AND REGISTRATION FEES</b>			
1.	Short levy due to misclassification of documents	88	0.25
2.	Short realisation of Stamp duty and Registration fee due to late receipt of revised rates.	57	0.02
3.	Irregular grant of exemption	17	0.02
4.	Other cases	39	0.06
	<b>Total</b>	<b>201</b>	<b>0.35</b>
<b>ELECTRICITY DUTY</b>			
1.	Short levy of electricity duty	1	0.03
	<b>Total</b>	<b>1</b>	<b>0.03</b>
<b>TAXES ON GOODS AND PASSENGERS-TAX ON ENTRY OF GOODS INTO LOCAL AREAS</b>			
1.	Non/short levy of tax	3	0.27
2.	Other cases	2	0.07
	<b>Total</b>	<b>5</b>	<b>0.34</b>
<b>ENTERTAINMENT TAX</b>			
1.	Short levy of entertainment tax	1	0.08
	<b>Total</b>	<b>1</b>	<b>0.08</b>
	<b>Grand Total</b>	<b>208</b>	<b>0.80</b>

During the year 2002-03, the concerned Department accepted under assessments etc. of Rs.0.16 crore in 47 cases of which two cases involving Rs. 0.14 crore had been pointed out in audit during 2002-03 and the rest in earlier years.

A few illustrative cases involving Rs 0.26 crore are given in the following paragraphs:

**STAMPS & REGISTRATION FEES****6.2 Short realisation of additional stamp duty**

Under the provisions of the Bihar Regional Development Authority Act, 1981, (as adopted by Jharkhand Government), additional stamp duty is leviable at the rate of five per cent on the value of property transferred by the instrument in such areas which are covered by the Regional Development Authority.

In the course of audit of the office of the District Sub-Registrar (DSR), Dumka it was noticed that on 237 instruments of property valued at Rs 3.97 crore falling under the areas covered by Regional Development Authority and executed during 1999-2000 and 2000-01, additional stamp duty was realised at the rate of two per cent instead of the prescribed rate of five per cent. This resulted in short realisation of additional stamp duty amounting to Rs 11.92 lakh.

On this being pointed out, DSR, Dumka stated that stamp duty at the rate of two per cent was collected on the orders of Deputy Commissioner, Dumka. Reply is not tenable as additional stamp duty was payable at the rate of five per cent in the areas covered by Regional Development Authority.

The matter was reported to the Government in May 2003; their final reply is awaited (October 2004).

**6.3 Short realisation of revenue due to misclassification of deeds**

The rates of stamp duty and registration fee applicable on instruments of “conveyance” and “power of attorney” have been laid down under schedule IA of the Indian Stamp Act, 1899 and Article A (I) of Table of fees under the Indian Registration Act, 1908 respectively, as adopted by the State of Jharkhand. Further, deed of conveyance attracts a higher rate of stamp duty and registration fee than a power of attorney.

In the course of audit of District Sub-Registrar, Ranchi it was noticed that five documents registered between October 2000 and May 2001 were classified as power of attorney while these deeds were sale deeds as absolute possession was conveyed to the power holder to sell and receive sale proceeds. This resulted in short realisation of government revenue to the tune of Rs. 6.30 lakh in the shape of stamp duty and registration fee.

On this being pointed out, the Department stated that action will be taken to recover deficit duty and fees.

The matter was reported to the Government in May 2003; the Government replied in January 2004 that notices for additional demand of Rs 6.30 lakh had been issued in December 2003. Report on recovery of amount is awaited (October 2004).

## **ENTERTAINMENTS TAX**

### **6.4 Short levy of Entertainments tax**

Under provisions of the Bihar Entertainments Tax Act, 1948 and Rules framed thereunder (as adopted by Jharkhand Government), a proprietor of an entertainment house is liable to pay a consolidated amount of tax for every show at the prescribed rate of gross collection capacity of the cinema house as fixed by the Government. The amount of tax specified in the permission shall be paid to the State Government in advance for every week, failing which assessee, would be liable to pay tax for every show at the prescribed rate, as if no permission for payment of compounded fixed amount had been granted.

In Katras Commercial Taxes Circle, Dhanbad, the proprietors of two entertainment houses failed to deposit the amount of compounded tax weekly in advance during the year 2001-02. As the assessee had defaulted in payment of the tax at compounded rate, they were liable to pay tax for every show at the prescribed rate of gross collection capacity of the concerned cinema houses, which was neither levied nor paid by the assessee concerned. This resulted in short levy of tax amounting to Rs. 8.26 lakh.

On this being pointed out, the Department raised an additional demand of Rs 8.26 lakh in May and June 2003. The report on realisation is awaited (October 2004).

The matter was reported to the Government in May 2003; their final reply is awaited (October 2004).