

Chapter - V
Taxes on Vehicles

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5.1 Tax administration

The overall charge of the Transport Department vests with the State Transport Commissioner (STC), Punjab, Chandigarh. There are 11 Regional Transport Authorities (RTAs) which, administer the Punjab Motor Vehicles Taxation Act, 1924 and the Rules made there under, monitor and maintain the records of receipt of Motor Vehicles Taxes. The RTA is also responsible for collection of Motor Vehicles Taxes in respect of Stage Carriage Buses of other States. In addition, RTAs regulate the motor vehicles in the State in conformity with the Motor Vehicle Act, 1988 and maintains the records of receipt of fees on motor vehicles.

5.2 Results of audit

There were 15 auditable units in the Department consisting of seven Regional Transport Authorities (RTAs) and eight other units. Audit selected 10¹ units for audit during the year 2018-19. Test check of records relating to motor vehicle taxes in respect of 5,24,019 permits showed non/short realisation of motor vehicle tax and other irregularities with a revenue implication of ₹ 13.54 crore in 6,373 cases (0.71 per cent of receipt of ₹ 1,911.20 crore under Taxes on Vehicles for the year of audit 2017-18) as per detail given in **Table 5.1** below:

Table 5.1: Results of audit

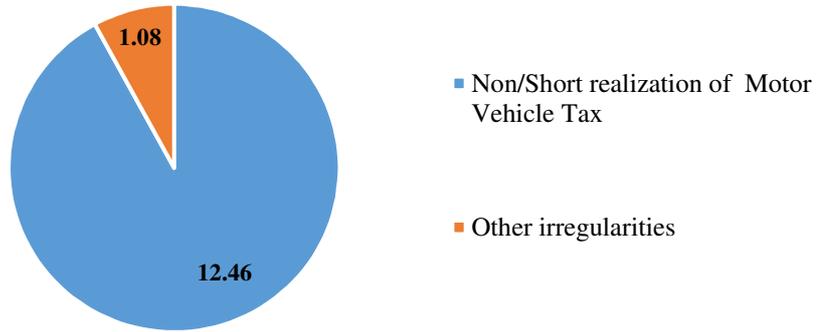
(₹ in crore)			
Sl. No.	Categories	No. of cases	Amount
1.	Non/Short realization of Motor Vehicle Tax	6,084	12.46
2.	Other irregularities	289	1.08
Total		6,373	13.54

Category-wise audit findings noticed under Taxes and motor Vehicles Tax are depicted in **Chart 5.1**:

¹ Seven RTAs and three other units.

Chart-5.1

(₹ in crore)



Audit had pointed out similar omissions in the earlier years also. However, these irregularities were again noticed during 2018-19. In 2018-19, the Department accepted and recovered ₹ 1.22 crore in 181 cases out of which ₹ 0.51 crore involved in 32 cases pertained to the year 2018-19 and remaining ₹ 0.71 crore involved in 149 cases pertained to the earlier years.

An illustrative case involving ₹ 0.35 crore is discussed in Paragraph 5.3.

5.3 Short realisation of motor vehicle tax

In two RTAs, Motor Vehicle Tax of ₹ 34.97 lakh was short realized from three bus operators plying stage carriage buses in Punjab.

Section 3 of the Punjab Motor Vehicle Taxation Amendment Act 2007, provides for imposition of tax on every motor vehicle and empowers the Government of Punjab to determine the rate and manner of payment of the tax. The Government, in exercise of these powers, notified the rates² of Motor Vehicle Tax (MVT) for stage carriage buses. Motor vehicle tax on stage carriages is payable by the end of every month.

Scrutiny of records of RTAs Bathinda and Sangrur revealed that three private bus operators paid MVT of ₹ 19.38 lakh for the period 2016-17 to 2017-18 in respect of 13 permits of stage carriage buses with a total of 4,396.20 permitted kilometers per day. However, MVT of ₹ 54.35 lakh was required to be paid for the permitted kilometers on the basis of prevalent rates of MVT. The bus operators neither furnished any information regarding non-use of the permits nor were the permits cancelled by the RTAs. In case of RTA Sangrur, fitness certificates were also issued by Motor Vehicle Inspector in respect of buses covered under the permits. The RTAs did not take any action for recovery of MVT short paid by the bus operators. This resulted in short realization of MVT of ₹ 34.97 lakh.

²

Period	Rate for ordinary buses (₹ per kilometre per day)	Number of days in a month exempted for MVT
12.12.2015 to 14.06.2016	2.73	6
15.06.2016 to 17.08.2017	2.75	6
18.08.2017 to till date	2.80	4

The RTAs replied (June and August 2018) that notices would be issued to the transporters.

The matter was reported to the Government/Department in January 2019, May 2019 and May 2020; their reply was awaited (December 2020).

The Government may direct the Department to recover MVT of ₹ 34.97 lakh from these three bus operators.

