

Preface to the First Edition

This Manual is for the guidance of officials entrusted with the audit of the Passengers and Goods Tax. The Procedure of levy, assessment and collection of passengers and goods tax has been set out with reference to relevant Act/Rules and executive instructions issued by the Excise and Taxation Department, Haryana Government.

The important points to be seen in audit are also set out in this Manual. Though these instruction need full compliance, they do not in any way debar looking out, in course of audit, for other points of interest.

While making any reference in the audit, and Inspection Note to a particular provision of law, such reference should be made to the provisions of Passengers and Goods Tax Act/Rules not to the paras of this Manual.

Preface to the Second Edition

This Manual is for the guidance of official entrusted with the audit of the Passengers and Goods Tax. The procedure of levy, assessment and collection of passengers and goods tax has been set out with reference to relevant Act/Rules and executive instructions issued by the Excise and Taxation Department, Haryana Government

The important points to be seen in audit are also set out in this Manual. Though these instructions need full compliance, they do not in any way debar looking out, in course of audit, for other points of interest.

While making any reference in the audit and Inspection Note to a particular provision of law, such reference should be made to the provisions of Passengers and Goods Tax Act/Rules not to the paras of this Manual.

Preface to the Third Edition

This Manual has been revised after incorporating important amendments / orders /instructions issued by Government/ Department / Headquarter office upto 31-03-2015 which were necessitated after the publication of the second edition in 1987. Besides this, efforts have also been made to include the available fresh material to make the Manual truly useful to all concerned.

2. Headquarters wing of the Receipt Audit (Other Receipts) will be responsible to keep the book up to date.
3. Any error or omission in this Manual or any suggestion for its improvement will be appreciated and should be brought to the notice of the Pr. Accountant General (Audit) Haryana.

(MAHUA PAL)

Chandigarh
Dated: August 2015

Pr. Accountant General (Audit) Haryana

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CHAPTER 1

INTRODUCTION

1.1 Under the Constitution of India, taxes on passengers and goods carried by road or inland waterways are leviable by the States. The Passengers and Goods Tax Act of different States provide for a levy of tax on all fares and freights in respect of all passengers and goods carried by motor vehicles. Like other indirect taxes, the incidence of this tax also falls ultimately on the beneficiaries of these services. Those who provide these services, charge this tax from those whom such services are provided by including the tax in the fare and freights.

Taxes on mechanically propelled vehicles is a subject included in the concurrent list of the seventh schedule to the Constitution. The levy and collection of passenger and goods tax on Motor vehicles (Public service vehicles, public carrier, private carrier or a trailer when attached to any such vehicle) are governed by the Punjab Passengers and Goods Taxation Act, 1952 and rules made thereunder (as applicable to Haryana) as amended from time to time.

The audit of passengers and goods tax was taken up for the first time in 1973. To discharge their functions effectively, the audit staff must be thoroughly conversant with the Act/Rules and departmental circulars issued from time to time bearing in mind that departmental instructions are for guidance of taxation officers and have no inherent statutory forces.

DEFINITIONS

1.2 (i) "Fare" includes sums payable for a season ticket or in respect of the hire of a contract carriage.

(ii) "Goods" include live-stock, and anything carried by a motor vehicle except living persons, but does not include the personal luggage of passengers travelling in the vehicles when such luggage is not charged for, and the equipment ordinarily used with the vehicle.

(iii) "Motor Vehicle" means a public service vehicles and public carrier, private carrier or a trailer when attached to any such vehicle, educational institution bus and omnibus used by an employer other than the Government, for carriage of his employees.

(iv) "Owner" means the owner of a motor vehicle used for carrying passengers or goods in or through the territory of the State of Haryana and includes :-

- (a) the holder of a permit in respect of such vehicle,
- (b) any person for the time being incharge of such vehicle,
- (c) any person responsible for the management of the place of business of such owner,
- (d) Government or a corporation constituted under the Road Transport Corporation Act, 1950.

(v) “Passenger” means any person travelling in a motor vehicle other than a private and public carrier but shall not include the driver or the conductor or an employee of the owner of the vehicle travelling in the bona fide discharge of his duties in connection with the vehicle.

(Substituted by Haryana Act No. 2 of 1988)

- (vi) “States” means the State of Haryana.
- (vii) “Contract Carriage” means a motor vehicle which carries a passenger or passengers for hire or reward under a contract whether expressed or implied for the use of the vehicle as a whole, at or for, a period or agreed rate or sum.

- (a) On a time basis whether or not with reference to any route or distance; or
- (b) From one point to another and in either case without stopping to pick up or set down passengers not included in the contract and includes a maxi cab and motor cab notwithstanding that separate fares are charged for its passengers.

(viii) “Public Carrier” means a goods carriage transporting or undertaking to transport goods, or any class of goods, for any other person at any time and in any public place for hire or reward, whether in pursuance of the terms of a contract or agreement or otherwise.

(Haryana Act No. 27 of 2002)

(ix) “Private Carrier” means a goods carriage other than a public carrier used for the carriage of goods which are owner’s property or the carriage of which is necessary for the purposes of owner’s business not being a business of providing transport or the vehicle used for any of the following purposes :-

(a) the delivery or collection by or on behalf of the owner of goods sold, used or let or hire-purchase in the course of any trade or business carried on by him other than the trade or business of providing transport;

(b) the delivery or collection by or on behalf of the owner of goods which have been or which are to be subjected to a process or treatment in the course of a trade or business carried on by him; or

(c) the carriage of goods in a transport vehicle by a manufacturer of or agent or dealer in such goods while the vehicle is being used for demonstration purposes.

(Haryana Act No 27 of 2002

(x) “Prescribed” means prescribed by rules framed under the Punjab Passengers and Goods Tax Act, 1952.

CHAPTER 2
ORGANISATION AND FUNCTIONS OF THE EXCISE AND TAXATION
DEPARTMENT

Organisational Set Up

2.1 In exercise of the power conferred by clauses 1 and 2 of section 7 of the Punjab Passengers and Goods Taxation Act, 1952, the Commissioner (Excise and Taxation Commissioner, Haryana) and the person or persons appointed under sub-section 7 (1) shall exercise such powers and perform such duties as may be assigned to them under the Act.

The general superintendence and administration at district level is done by the District Excise and Taxation Officer or the Excise and Taxation Officer (Enforcement) or the Assistant Excise and Taxation Officer holding charge of the district appointed by that designation by the State Government under section 7 of the Act to assist the Commissioner.

The following persons have been appointed to assist the Commissioner under Section 7 (1) for carrying the purposes of the Punjab Passengers and Goods Tax Act, 1952.

1. Joint Excise and Taxation Commissioner
2. Deputy Excise and Taxation Commissioner (I/E)
3. Deputy Excise and Taxation Commissioner (R/I)
4. Chief Enforcement Officer.
5. Excise and Taxation Officer (Headquarters)
6. Deputy Excise and Taxation Commissioner, incharge of the Districts.
7. Excise and Taxation Officers.
8. Additional Excise and Taxation Officers.
9. Excise and Taxation Officers (Enforcement)
10. Assistant Excise and Taxation Officers (Enforcement)

11. Assistant Excise and Taxation Officers incharge of the Sales Tax Check Barriers.
12. Assistant Excise and Taxation Officers in general.
13. Taxation Inspectors specially deputed by the Commissioner from time to time for the administration of the Punjab Passengers and Goods Taxation Act, 1952, and
14. Taxation Inspector posted at the Sales Tax Check Barriers (No.5355-ET-7-79) 51135 dated the 21st December, 1979 from Financial Commissioner Revenue and Secretary to Government Haryana, Excise and Taxation Department).

Duties and Powers of Taxing Officer

2.2 Various officers appointed to assist the Commissioner under section 7(1) for carrying out the purposes of the Act broadly fall under three categories viz (i) Assessing Authority (ii) Prescribed Authority (iii) Appellate Authority.

(a) “Assessing Authority” in respect of any owner means the officer-in-charge of the district or the Excise and Taxation Officer-in-Charge of the circle within whose territorial jurisdiction the owner’s place of business is situated or an officer not below the rank of an Assistant Excise and Taxation Officer directed by the Commissioner to exercise the powers of, and perform the duties and function of Assessing Authority.

The broad functions of the Assessing Authority are:-

- (i) Registration of owners and grant of certificate of registration in form PTT-2
- (ii) Amendment or cancellation of certificate of registration.
- (iii) Watch the receipt of “table of fares and freight and table of timings of arrival and departure” from the owners.
- (iv) Issue of permit in form PTT 2-A (permit for payment in lump sum) to the owner opting to pay the tax in lump sum.
- (v) Cancellation of option of owner to pay the tax in lump sum.
- (vi) Issue of clearance certificates in form PTT 5-A to the owner in token of having recovered the tax.

- (vii) Authorising the refund of the value of unused stamps or renewal of damaged or spoiled stamps.
- (viii) Authorising refund of excess tax paid by the owner.
- (ix) Authentication of the following registers to be maintained by the owner before bringing the same into use:-
 - (a) Register of passenger ticket and goods receipt.
 - (b) Inspection Note Books.
 - (c) Registers in form PTT 7 and PTT 8.
 - (d) Watch monthly return PTT 7-A and PTT 8-A from the owner.
- (x) Assessment to tax and issue of notice of demand to the owner.
- (xi) Assessment or re-assessment of tax and rectification of clerical or arithmetical mistakes.
- (b) “Prescribed Authority” means for the purpose of :-

(i) Section 3 (levy of tax), Section 6 (keeping of account and submission of returns by the owner), Section 9 (grant of registration certificate), Section 11 (Supply of time table and table of fares and freight by the owner), Section 12 (recovery of tax or penalty imposed as arrears of land revenue) and Section 21 (Refunds) by the Assessing Authority.

(ii) Section 13 (power of entry and inspection), Section 13 A (impounding of license held by the driver/conductor and other document pertaining to the vehicles), Section 14 (demand on the passenger to produce tickets), an officer of the Excise and Taxation Department who is not below the rank of Taxation Inspector within his jurisdiction or an officer of any other department of the State Government authorised by the Commissioner in this behalf and within the jurisdiction as specified by the Commissioner

- (c) Appellate Authority

An appeal against an order passed under the Act or rules framed thereunder shall lie to the Joint Excise and Taxation Commissioner, who may reject the appeal summarily or fix a date for hearing. The appeal shall be decided after giving a notice to the Assessing Authority concerned and after considering any representation that may be made by it and after giving an opportunity to the

appellant and such other persons as in the opinion of the appellate authority may directly be interested in the result of the appeal of being heard in person or by a duly authorised agent.

CHAPTER 3

PROCEDURE RELATING TO LEVY, ASSESSMENT AND COLLECTION OF TAX

Levy of Tax

3.1 (a) There shall be levied, charged and paid to the State Government a tax at such rate not exceeding sixty per centum of the value of :-

(i) fare or freight, as the case may be, on all passengers and goods carried by a motor vehicle other than a private carrier, and

(ii) freight as calculated on the basis of rate fixed for public carriers by the competent authority under the Motor Vehicle Act, 1988 (Central Act 59 of 1988)], on all goods carried by a private carrier, as the State Government may by notification, direct the amount of tax being calculated to the nearest multiple of five paise by ignoring two paise or less and counting more than two paise as five paise. (Haryana Act No 27 of 2002).

Provided that in case of contract carriages, public carriers and private carriers, the State Government may accept a lump sum in lieu of the tax chargeable on passengers and goods respectively, in the manner prescribed.

Provided further that in case of stage carriages, the State Government may accept a lump sum in lieu of the tax chargeable on passengers and goods, in the manner and subject to such conditions as may be prescribed.

When passengers and goods are carried by a motor vehicle other than a private carrier, and no fare or freight is charged or only token or concessional fare or freight is charged, the tax shall be levied and paid as if such passengers and goods are carried at the normal rate prevalent on the route or at the rate fixed by the competent authority under the [Motor Vehicle Act, 1988 (Central Act 59 of 1988)], whichever is higher.

(Haryana Act No 2 of 1998 and 27 of 2002)

(b) Where any fare or freight charged is a lump sum paid by a person on account of a seasonal ticket or as subscription or contribution for any privilege, right or facility which is combined by a motor vehicle, without any further payment or payment at a reduced rate, the tax shall be levied on the amount of such lump sum or on such amount as appears to the prescribed authority to be fair and equitable having regard to the fare or freight fixed by a competent authority under the Motor Vehicle Act, 1988 (Central Act 59 of 1988). (Haryana Act No 27 of 2002).

(c) When passenger and goods are carried by a motor vehicle on a joint route, the tax shall be payable in respect of the fare or freight for the distance covered within the State at the rate laid down in para 3.1(a) above. (Haryana Act 5 of 1973)

Joint route shall mean a route which lies partly in the State of Haryana and partly in some other State or Union Territory.

By virtue of power vested on them under Section 3.1 of the Act

(d) The State Government in their notification No. SO.88/PA/16/52/S. 3/73 dated 18-4-73 have directed that the rate of tax shall be fifty per cent of the value of fare or freight, as the case may be, on all passengers or goods carried by a Motor Vehicle.

The State Transport Authority fixed the following rates of fare and freight for stage carriages in the State of Haryana w.e.f. 23-08-2013:-

Type of services	Gross fare (after passenger tax) Paise/Passenger per kilometre	Freight for personal luggage
1	2	3
All metalled road in plains	75.00	Half the fare per Kilometre per 40 kilograms
Deluxe Buses	100.00	
Air Conditioned Deluxe Buses	112.50	
Extra State Luxury AC Buses	131.25	
Luxury Air Conditioned Buses	187.50	

In case of Haryana Gaurav Buses being operated by Haryana Roadways, the following amount shall be charged extra per ticket over and above the ordinary fare:-

- (a) Upto 50 Kilometres Rs. 5/-
- (b) 51 to 100 Kilometres Rs. 10/-

- (c) 101 to 150 kilometres Rs. 15/-
- (d) 151 kilometres and above Rs. 20/-

Fare calculated (after including passenger tax) for different stages of routes shall be rounded off to the next higher rupee.

The minimum chargeable fare (after including passenger tax) shall be five rupees.

The fraction below half a kilometre shall be ignored.

(Haryana Government Transport Department Notification No. 22/76/2003-2T(1), dated 23rd August, 2013)

Method of levying tax

3.2 No passenger shall be allowed to travel by the owner in a motor vehicle unless he is issued a ticket in the prescribed form for the journey, denoting that the tax has been paid.

Provided that if a journey begins outside the State, the tax shall become chargeable on entry within the State in the prescribed manner.

Save as otherwise provided by the Act, no goods shall be allowed to be carried in a :-

- (a) motor vehicles other than a private carrier unless the person in-charge of the vehicle or a passenger, as the case may be, has in his possession a receipt in the prescribed form issued by the owner, showing the freight charged.
- (b) private carrier unless the person in-charge of the vehicle has in his possession a declaration in the prescribed form issued by the owner and denoting that the tax under the Act has been paid.

Mode of Payment

3.3 According to the first proviso to section 3(1) of the Punjab Passengers and Goods Taxation Act, 1952, read with the first proviso to Rule 9 of the Rules framed thereunder, in the case of contract carriages, public carriers and private carriers an owner may at his option, pay to state Government a lump sum in lieu of tax chargeable on fare and freight. Rule 9(3)(d) *ibid* enjoins that “option once exercised will remain in force until the State Government permits an owner of a vehicle to withdraw it.” Further Rule 9(4) lays down that “the lump sum shall be deposited into the Government treasury in cash by the owner of vehicle or paid by crossed cheque in favour of the appropriate Assessing Authority according to the provisions of note 4 of rule 2.5 of the Subsidiary Treasury Rules. The

said sum shall be payable in equal quarterly instalments within 30 days of the commencement of the quarter to which the payment relates and the Assessing Authority shall grant a clearance certificate in form PPT 5 in token of having recovered the tax.”

If any owner does not opt to pay the tax in lump sum he is governed by the provisions of clauses (i) and (ii) of rule 9 (1) ibid which lays down that tax shall be paid in one of the following ways :-

- (i) By stamping the ticket or receipt with an impressed, embossed, engraved or adhesive stamps (not already used) issued by State Government for the purpose of the Act and denoting that the tax due has been paid.
- (ii) Where impressed, embossed, engraved or adhesive stamps are not available or the Commissioner so directs, the amount of tax payable shall be deposited by the owner in cash into the Government treasury at such intervals and in such manner as laid down in the rules.

Assessment of Tax

3.4 (i) When tax is paid under rule 9 (ii) of the Punjab Passengers and Goods Taxation Rules, 1952, if the Assessing Authority is satisfied without requiring the presence of the owner or the production by him of any evidence that the returns furnished in Form PTT8-A under rule 17 (3) in respect of any period are correct and complete, it may at any time during the year or at the close of the year, or after the closure of business, if it takes place during the year, shall assess the amount of the tax due from the owner on the basis of such returns.

(ii) If at the close of the year or any time during the year, the Assessing Authority without requiring the presence of an owner on the production of evidence by him, is not satisfied with the returns furnished by him, shall serve on such owner, a notice in form PPT 10 requiring him on a date and at a place to be furnished therein, either to attend in person or to produce or cause to be produced any evidence of such returns.

(iii) On the day specified in the notice or as soon afterwards as may be, the Assessing Authority, after hearing such evidence as the owner may produce and such other evidence as the Assessment Authority, may require on specified points shall assess the amount of tax due from the owner.

Notice of Demand

3.5 If any sum is payable by an owner under the Act/Rules, the Assessing Authority shall serve a notice in form PTT 11 and shall also fix date not less than 15 days from the

date of service, by which the owner shall furnish the receipted challan in proof of such payment.

Reassessment of tax and rectification of clerical or arithmetical mistake

3.6 If, in consequence of definite information which has come into his possession, the appellate assessing authority discovers that an owner has been under-assessed or had escaped assessment for any year, or tax less than the amount of tax due has been levied in the form of stamps through inadvertence, error or misconstruction or otherwise, the assessing authority may, at any time within a period of three years following the close of the financial year to which it pertains send a notice to the owner in form PTT 10/PTT 12 and after making such enquiry as he considers necessary and after giving the owner an opportunity of being heard proceed to assess or re-assess, as the case may be, and recover the tax payable by him.

Appeal

3.7 An Appeal against an order passed under this Act or Rules shall lie with the Joint Excise and Taxation Commissioner within sixty days of the passing of such order or within such further period as the appellate authority may, for sufficient cause, allow.

Save as provided in section 16 of the Act regarding revisions by the Commissioner, an order passed by the appellant authority shall be final.

Revisions

3.8 (i) The Commissioner, of his own motion, or an application made to him in the prescribed manner, may call for the record of any proceedings which are pending before or have been disposed of by any other authority subordinate to him under this Act for the purpose of satisfying himself as to the legality or propriety of such proceedings or any order in relation thereto as he may think fit.

Provided that the owner may make such application duly within one year from the date of the order required to be revised.

(ii) No order shall be made without giving an owner or any other person interested a reasonable opportunity of being heard.

Collection of Tax

3.9 Tax levied on the passengers and goods carried by motor vehicle other than private carriers shall be collected by the owner and tax so collected, and the tax levied on the goods carried by private carriers, shall in either case be paid to the State Government in the prescribed manner.

Rates of tax in respect of contract carriages and public carriers

3.10 In the case of contract carriages, public carriers and private carriers, an owner may, at his option pay to the State Government the following lump sum per annum, in lieu of the tax chargeable on fare and freight :-

(1)	Auto Rickshaw having more than three seats excluding driver	Subject to the condition that it would be allowed to operate upto 5 kilometers perimeter beyond the municipal limits	Rs.500/- (per annum per seat)	Excise and Taxation Department Haryana Rs.425/- per annum per seat (Passenger Tax)	State Transport Controller Haryana Rs.75/- per annum per seat (Road Tax)
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Provided that the entire composite tax as prescribed under above entries shall be collected by the State Transport Controller, Haryana and the amount of Passenger Tax so collected shall be transferred to head “0042- Taxes on Goods and Passenger-Minor Head/Sub Head- 103-Tax Collection - Passenger Tax of Excise and Taxation Department.

- (i) Taxi Cars (Five Seaters) Rs. 3000/- per annum
- (i-a) Maxi Seater (7-12 Seaters) Rs.100/- per month per seat subject to condition that the number of seats for purpose would be determined as per the authorized seating capacity indicated by manufacturer and excluding the driver seat.
- (ii) Taxi, Station Wagon Rs. 544/-
- (iii) Public carriers or private carriers used for carrying goods not exceeding their certified and registered load as per the Motor Vehicle Act, 1988 (59 of 1988), in or through the State of Haryana having gross vehicle weight.
 - (a) Not exceeding 10 tonnes Rs.4,000/- per annum
 - (b) Exceeding 10 tonnes but not exceeding 17 tonnes Rs.5,600/- per annum

(c) Exceeding 17 tonnes Rs.12,000/- per annum

Note – Lumpsum of Rs.4000, Rs.5600 and Rs.12000 is in lieu of tax and additional tax payable under the Act.

(iv)	Tractor with trolley holding Public Carrier Permit or private carrier Permit.	Rs.450/-
(v)	Tempo Rickshaw (Loading Tempo) with public carrier permit	Rs.610/-
(vi)	Scooter Rickshaw (Loading)	Rs.272/-
(vii)	Motor Cycle Rickshaw (Loading)	Rs.340/-
(viii)	Public carriers operating under the National Permit scheme, registered under the Motor Vehicle Act, 1988, in any of the States other than Haryana or in any of the Union Territories in India and carrying goods not exceeding their certified and registered load as per Motor Vehicle Act, 1988 in the State of Haryana	Nil/-

Provided that if the goods carried in a vehicle in the State of Haryana are in excess of the laden capacity of the vehicle, then, irrespective of any action that may be taken under the Motor Vehicles Act, 1988 (59 of 1988), the owner of the vehicle shall be liable to pay additional lumpsum at the rate of Rs. 150/- per ton of such excess weight for that particular journey or may at his option pay the following amount for a quarter in respect of the vehicle:-

		Amount	Period
(a)	Vehicles having gross Vehicle weight not Exceeding 16.2 tonnes	Rs. 1,050 per quarter	1-9-1988 to 31-7-2000
		Rs. 1,500 per quarter	1-8-2000 to 31-3-2002
		Rs. 3,000 per quarter	w.e.f 1-4-2002
(b)	Vehicles having gross Vehicle weight Exceeding 16.2 tonnes	Rs. 1,500 per quarter	1-9-1988 to 31-7-2000
		Rs. 2,250 per quarter	1-8-2000 to 31-3-2002
		Rs. 5,000 per quarter	w.e.f 1-7-2002

Explanation:-Laden capacity in respect of a vehicle means the gross vehicle weight of the vehicle minus the unladen weight of the vehicle.

Note:- This amendment shall not burden anybody for any additional tax over and above the tax already charged and nobody shall be entitled to refund of any tax already paid upto the date of publication of this notification.

Provided further that in the case of the stage carriages carrying passengers on route given below an owner may, at his option, pay to the State Government, per annum per vehicle per return trip, the lumpsum in lieu of tax chargeable on fare and freight subject to conditions specified against each:-

Particular of route 1	Amount (Rs) 2	Conditions, if any 3
Delhi- Narela via Piao- Maniari	3200.00	The rate of fare does not exceed Rs.2.00 per passenger per single journey for the entire route.

(b) Government may revise the lump sum rates mentioned above from time to time. Thereupon the owner of a public carrier, contract carriages, liable to pay tax in lump sum, will have the right to exercise his option afresh.

(c) Where the owner of a vehicle, opting to pay tax in lump sum has not carried goods in his vehicle for a calendar quarter and produces an order from the competent authority under the Punjab Motor Vehicle Act, 1924 that he has been exempted from the payment of tax for the said quarter, no tax shall be payable for that quarter.

The owner of a vehicle, opting to pay tax in lump sum shall inform the assessing authority concerned as soon as his vehicle goes out of use. In case the vehicle is put on the road within the course of the quarter, an intimation to that effect shall be sent to the assessing authority concerned immediately.

(d) When an owner of a vehicle opts to pay tax in lump sum and deposits tax in a district other than the district in which he is registered, he shall intimate within a week of such deposit complete particulars of the deposit made in another district to the Assessment Authority of the district in which his vehicle is registered.

Refunds of Tax

3.11 (a) The prescribed authority shall, in the prescribed manner, refund to the owner, applying in this behalf, any amount of tax or penalty paid by such owner in excess of the amount due from him under the Act either by a refund voucher or at the option of the owner, by deduction of such excess from the amount of tax or penalty due in respect of any other period.

Provided that no refund shall be allowed unless the claim for refund is made within a period of three years from the date on which such claim accrues.

(b) An application from an owner for refund of excess tax paid shall be made to the prescribed authority and shall clearly and briefly specify the grounds on which the refund is claimed. When the prescribed Authority is satisfied that a refund is due, he shall record and order sanctioning refund and communicate the order to the applicant.

(c) Exemption of tax

The State Government may, by general or special order and subject to specific conditions, if any, exempt any person or class of persons from the operation of all or any of the provisions of this Act, if in its opinion, such exemption would promote national or public interest.

(Section 10 of PGT Act, 1952)

Registration of Vehicles

3.12 (i) No owner of a motor vehicle shall carry passengers or goods in or through the territory of the State of Haryana unless he obtains a registration certificate as hereinafter provided.

(ii) A registration certificate shall be granted in the prescribed manner to any owner applying thereupon to the prescribed authority on payment of a fee of five rupees.

(iii) Every such registration certificate shall be valid without renewal till it is cancelled or suspended.

(iv) If the prescribed authority is satisfied that any owner is liable to pay tax under the provisions of this Act in respect of any period but who has willfully failed to apply for registration or to believe that the tax due has not been paid correctly the said authority may, after giving the owner a reasonable opportunity of being heard, assess the amount of tax, if any, due from the owner, and also direct that the owner shall pay in the prescribed manner by way of a penalty, a sum not exceeding five times the amount of the tax so assessed.

(v) If an owner, who has been granted a certificate of registration, transfers, discontinues or closes his business, he shall inform the prescribed authority within thirty days of his doing so, and the said authority shall cancel the registration certificate from the date of transfer, discontinuance or closing down of the business.

(vi) On the death of an owner, any person claiming to be the legal representative of the deceased shall inform the prescribed authority of this fact within a period of thirty days. The prescribed authority shall thereupon transfer the certificate in the name of the applicant.

(vii) When any owner transfers any motor vehicle, the transferee shall be liable to pay tax and penalty, if any, remaining unpaid by the transferer upto the date of transfer as if he was the registered owner and the transferee shall not carry passengers and goods in the said vehicle without getting himself registered or getting his registration certificate amended, if he is already registered.

(viii) The liability to payment of tax under the Punjab Passengers and Goods Taxation Act does not depend upon the registration under the Act *ibid* because tax is chargeable in respect of a vehicle engaged in the business of transporting goods in the State of Haryana even if it is not registered under the Act, 1952.

Procedure for Registration

3.13 (a) An application for registration under Section 9 of the Act shall be –

- (i) made by the owner in form PTT I to the Assessing Authority of the district concerned within fifteen days of the date of purchase of motor vehicle or the date of incurring the liability to pay the tax under the Act, whichever is earlier.
- (ii) signed by the owner.
- (iii) Verified in the manner specified in the said form; and
- (iv) accompanied by a treasury receipt of five rupees.

An owner who has been granted more than one type of permit as specified in rule 58 of the Haryana Motor Vehicle Rules, 1993, shall make a separate application in respect of each such type of permit. (So No. 15 of 14.03.2005)

(b) (i) Grant of certificate of registration

The Assessing Authority shall, after making such enquiry as he thinks fit and of being satisfied that the applicant has given all the required information correctly and that the application is otherwise in order, register the owner and grant him a certificate of registration in form PTT 2.

(ii) If an owner owns more than one motor vehicle and has more than one place of business, he shall, on application be granted free of charge, a copy of the certificate of registration duly authenticated by the Assessing Authority for each additional place of business and for each motor vehicle covered by the certificate and the owner shall exhibit the same on a conspicuous part of each such place of business as well as on each motor vehicle.

(iii) If a certificate of registration is lost, the owner shall immediately report the fact to the Assessing Authority alongwith an application accompanied by the treasury receipt of Rs. 1, grant him a duplicate certificate of registration or an authenticated copy thereof, as the case may be.

If the original certificate of registration or a duly authenticated copy thereof has become defaced or illegible, the owner shall return to the Assessing Authority with an application for the grant of a duplicate copy of the certificate or an authenticated copy thereof, as the case may be, which shall be granted free of charge.

(c) Amendment or cancellation of certificate of registration

if the owner :-

(i) sells or otherwise disposes of his business or any part of such business or effects any other change in the ownership, name, style, location, nature or extent of such business.

OR

(ii) discontinues such business, he shall, within thirty days of such sale/disposal, discontinuance or change, submit a report to that effect to the Assessing Authority, and if the owner is registered under the Act, he shall apply in form PTT 3 to the Assessing Authority for cancellation or amendment of the certificate of registration as the case may be.

The Assessing Authority shall make necessary amendments in the certificate of registration or cancel it and the liability to pay tax under the Act deemed to have ceased w.e.f. the date specified by the Assessing authority in this behalf.

Penalty

3.14 (a) A passenger shall upon demand made during the course of or immediately before or after the journey produce to any prescribed authority the ticket, voucher, or document relating to his travel, or to the carriage of his goods. On his failure to do so he shall be chargeable with twice the fare as penalty.

(b) Whoever contravenes, or fails to comply with, any of the provisions of this Act or the rules made thereunder or any order or direction made or given thereunder, shall, if no other penalty is provided under this Act for such contravention or failure, be liable to imposition of penalty not exceeding “five thousand” rupees.

An officer not below the rank of an Assistant Excise and Taxation Officer appointed under sub-Section (1) of Section 7, may, after affording to the person concerned a reasonable opportunity of being heard, impose the penalty specified above.

(c) Short payment of tax constitutes contravention of Section 3 (1) of the Act which is punishable under section 14-A (1) of the Act.

(d) Procedure for calculation and recovery of penalty

(i) The penalty shall be calculated on the fare from the starting point of the journey of the defaulting passenger to the point of detection of fault.

(ii) The prescribed authority shall recover the penalty from the defaulting passenger at the spot in cash and shall issue a receipt in form PTT 18 in triplicate, the original copy of which shall be given to the passenger concerned. The first carbon copy of the receipt shall be sent to the Excise and Taxation Officer of the district in which the owner of the vehicle is registered under the Act and the second carbon copy be retained by him. He shall also direct the owner of the motor vehicle to issue a regular ticket to the passenger from the point of detection to the point of termination of his journey. (GSR 133 dated 04-11-2014)

(iii) The said officer shall render the amount of the penalty recovered by him within three days of the recovery to the Deputy Excise and Taxation Commissioner of the district concerned and the latter shall deposit the same into the Treasury by the next working day.

Provided that the Excise and Taxation Officers (Enforcement) or Excise and Taxation Officer of the district shall deposit the amount of penalty recovered by them or him from the ticket-less travellers into the treasury within three days of their or his return to the headquarters.

The Excise and Taxation Officer (Enforcement) or Excise and Taxation Officer of the district shall maintain the account of the money received and deposited by them or him into the treasury in a register in form PTT 19. (GSR 91)

Universal scale of penalty for non-registration or to pay tax

3.15 According to the principles to natural justice, the discretionary powers should invariably be exercised, most judiciously and penalty imposed or punishment awarded shall be equitable in the cases having similar circumstances. The Excise and Taxation Commissioner, Haryana in his letter No.1501/A.IV dated 30-4-73 desired that there should be uniformity in the levy of penalty for non-registration of vehicles and non-payment of tax imposed under-sub-section (4) of Section 9 of the Punjab Passengers and Goods Taxation Act, 1952 and suggested the following scale for levy of penalty:-

Period of delay	Amount of minimum penalty
(1) Upto 1 Year	Twice the Amount of tax assessed
(2) 1 to 2 Year	Thrice the amount of tax assessed
(3) Exceeding 2 Year	Five times the amount of tax assessed

It was, however, made clear in the above circular that the Department did not aim at restricting the discretionary powers of the prescribed authority but at the same times for clean administration and justice, it was desirable that there should be uniformity in the action in the matter.

Miscellaneous

Taxes on Tractor / Trollies

3.16 Tractors/Trollies when used for hire on a reward basis even if they are registered

under the Motor Vehicle Act as private vehicles are liable to registration and payment of tax under the Punjab Passengers and Goods Act, 1952 as applicable to the State of Haryana.

Checking of Motor Vehicles under the Motor Vehicles Act, 1939.

3.17 Under sub-rule (3) of rule 4.67 of the Motor Vehicles Rules 1940, an officer of the Excise and Taxation Department not below the rank of the Taxation Inspector is authorised to stop any vehicle to make reasonable examination of the passengers carried by it. Tax due in respect of the overloaded passengers is detected under the above said provisions.

Exemption to the members of Haryana Legislative Assembly

3.18 The Haryana Government, Excise and Taxation Department in their notification No. SO/PA. 16/52/S. 10/68 dated the 27th September, 1968 exempted the member of the Haryana Legislative Assembly in possession of a free non-transferable pass under clause (b) of sub-section (1) of Section 413 of the Punjab Legislative Assembly (Allowances of Members) Act, 1942 from the payment of tax under the Punjab Passengers and Goods Taxation Act, 1952.

Exemption to other categories

(A) The Haryana Government Excise and Taxation Department in their memo No. 2913-ET(7) – 80/32605 dated 12-9-80 exempted the following categories of persons from the payment of passenger tax :-

1. Crippled/handicapped persons in Haryana for the journeys to be performed by them from their places of residence to the Saket Hospital near Chandigarh and back home in connection with the treatment of their deformity. Besides this, on such a journey to and from Saket Hospital, one attendant accompanying the crippled/handicapped person will also be exempt from the payment of passengers tax as the crippled/handicapped person cannot travel without the help of an attendant.

2. Blind persons, who have been issued certificates of their blindness by the Deputy Commissioners for the journeys performed by them anywhere by the Haryana Roadways buses.

(B) Haryana Government Excise and Taxation Department vide their memo no. 1968-ET-7-80/25662 dated 28-7-80 exempted from the payment of passengers/goods tax, all motor vehicles of the Government of Haryana which are used for purely non-commercial purposes.

(C) The Haryana Government Excise and Taxation Department vide their memo No 558 dated 9-1-80 exempted the two buses No. HYA-1449 and HRA-4500 of Shree Geeta Satsang Sabha Satsang Bhawan, Ambala City from the payment of passengers tax/goods tax subject to the conditions that if the said vehicles are used for commercial purposes, the exemption will be withdrawn.

(D) Haryana Government Excise and Taxation Department vide their order No. SO 29/PA. 16/52/S-10/86 dated 6th May, 1986 exempted all the owners of scooter rickshaws (two seater) registered in the Union territory Chandigarh while plying between Chandigarh and Panchkula from the operation of the provision of Section 3 of the said Act, to the extent of tax on fare.

Levy of tax when passengers are carried in trucks

3.19 Lump sum tax being paid by truck operators is payable by them in lieu of the tax payable on freight. It does not cover any tax for carrying passengers which may become due from the owners of the vehicles. It has been held that it is the use of a vehicle which determines whether tax is due or not. Full cognisance of the passengers carried by the owners of public carriers for hire or reward is to be taken and tax and penalty charged accordingly.

Special permits for casual trip

3.20 Motor vehicles plying under special permits granted under the Motor Vehicle Act, 1939 and the rules framed thereunder for casual trips have been exempted from the liability of registration under Section 8 of the Passengers and Goods Taxation Act, 1952 provided they made the payment of tax in the prescribed manner.

Under the reciprocal transport agreements entered into with other States, the tax due to Haryana State, under the Punjab Passengers and Goods Taxation Act, 1952, payable by the contract carriages, which visit Haryana on temporary permits is recovered by the transport authority of the reciprocating State. While issuing the permit, the amount of tax recovered is required to be entered on the permit and the amount is remitted to Deputy Excise and Taxation Commissioner of the concerned district to be visited first, by means of a bank draft on the State Bank of India.

CHAPTER – 4
REGISTER AND RETURNS

Application for Registration (PTT 1)

- 4.1 (a) An application for registration under Section 9 of the Act, 1952 shall be :-
- i. made by the owner in form PTT 1 to Assessing Authority of the district concerned within fifteen days of the date of purchase his motor vehicle or the date of incurring the liability to pay the tax under the act, whichever is earlier,
 - ii. signed by the owner,
 - iii. verified in the manner specified in the said form; and
 - iv. accompanied by a treasury receipt of five rupees.

Certificate of Registration PTT 2

(b) The Assessing Authority shall, making such enquiry as he thinks fit and of being satisfied that the applicant has given all the required information correctly and that the application is otherwise in order, register the owner and grant him a certificate of registration in form PTT 2.

Application for cancellation or amendment of registration PTT-3

(c) if the owner sells or otherwise disposes of his business or effects any other change in the ownership,

(d) or discontinues such business, he shall, within thirty days as the case may be apply in form PTT 3 to the Assessing Authority for cancellation or amendment of the certificate of registration.

Passenger ticket/ season ticket

- 4.2 (a) A ticket for the carriage of passenger and his luggage in excess of the free luggage allowance shall be in form PTT 4.
- (b) A season ticket shall be in form PTT 4A.

Clearance Certificate (PTT 5A)

A receipt for the transport of goods other than luggage carried by a passenger with him on a motor vehicle, shall be in form PTT 5.

Clearance Certificate (PTT 5A)

4.3 The clearance certificate in token of having recovered the tax is prepared by the Passengers and Goods Taxation Clerk, checked by Taxation Inspector concerned and issued under the signatures of D.E.T.C or the duly authorised A.E.T.O.

Inspection Note Books (PTT 6)

4.4 Every owner shall maintain or cause to be maintained (in each office/booking office) and on each vehicle an Inspection Note Book which shall on demand, be produced before an inspecting officer for recording of remarks by the said officer. The book shall be in form PTT- 6 and the owner shall get it authenticated by the Assessing Authority before bringing it into use, the one already in use shall be surrendered to the Assessing Authority.

The surrendered old inspection book should be placed on the assessment file of the owner/transport company concerned.

Account of stamps (PTT 7) and abstract thereof (PTT 7A)

4.5 Every owner shall maintain a daily account of the transport stamps in form PTT 7 and shall furnish to the Assessing Authority monthly abstract of such account in Form PTT 7A within ten days of the close of the month to which such abstract relates and such abstract shall be signed by the owner or any person duly authorized by him in this behalf.

The account of stamps in Form PTT 7 shall be page marked from one end to the other and shall be got authenticated by the owner from the Assessing Authority concerned before being brought into use and the owner shall surrender the same to the aforesaid authority within a period of ten days of the date when it is completely written up. A certificate giving the number of pages contained in the register shall be recorded at its end by the Assessing Authority before its use. Register of Account (PTT 8) maintained by the transporter.

Payments of tax by owners under clause (ii) of sub-rule (1) of rule 9. –

4.6 (1) Every owner who pays tax under clause (ii) of sub-rule (1) of rule 9 shall maintain with each vehicle a register in Form PTT 8 and entries in this register shall be made for each trip separately :

Provided that in the case of Government owned vehicle, entries in the way bills shall be construed as maintained in Form as provided in this sub-rule.

Provided further that the owners of private service vehicles and contract carriages except those who pay tax in lump sum shall maintain on their vehicles a register in Form PTT 20.

(2) The tax collected/payable shall be deposited by the owner with the treasury within 7 days of the close of the month to which the payment relates.

(3) Every owner other than that who pays tax in lump sum, required to pay tax under clause (i) or clause (ii) of sub-rule (1) of rule 9, shall submit to the appropriate assessing authority a return in Form PTT 8A for a month within 10 days of the close of the month :

Provided that in case of private service vehicles and contract carriages the return shall be in Form PTT 20A. (So No. 54 dt. 22.5.2006)

Challans

4.7 All payments shall be made by means of challan in form PTT9 into the treasury. Challan shall be filled up in quadruplicate, first copy is retained in the treasury, second copy is forwarded by the treasury to the Assessing Authority, third copy is filed by the owner in Form PTT 8 with the monthly returns or application and the fourth is retained by the owner.

Refund of the value of unused stamps or renewal of damaged or spoiled stamps

4.8 (a) Application for grant of refund or renewal of stamps shall be made by the registered owner to the Assessing Authority in form PTT 13 and the claim is allowed if admissible by the Assessing Authority after necessary scrutiny.

(b) Refund/Renewal statements (PTT14,15,16).

(c) Refund statements in form PTT 14,15,16 are prepared and submitted with the cases of refund/renewal or re-issue , which takes the shape of refund/renewal or vouchers after approval by the Assessing Authority.

(d) Re-issue of stamps (PTT 17)

If the stamps received are in good condition and fit for re-issue, they shall not be burnt, but sent to the Treasury Officer with a memo in form PTT 17 for the deposit in the main store in the treasury.

(e) Refund of excess tax paid shall be made under the sanction of the prescribed authority.

Penalty Receipt (PTT 18)

4.9 (a) The prescribed authority shall recover the penalty from the defaulting passenger at the spot in cash and shall issue a receipt in form PTT 18 in duplicate, retaining the carbon copy with him and giving the original copy thereof to the passenger in token of having received the amount.

(b) Register of Penalty Receipts (PTT 19)

The Excise and Taxation Officer (Enforcement) shall maintain the account of the money received and deposited by him in to the treasury in a register in form PTT 19.

Register of passenger ticket and goods receipts (PTT 20)

4.10 Every owner shall maintain an accurate account of passenger tickets and goods receipts got printed by him for being used in the booking offices and on vehicles in a register in form PTT 21 showing in part A and B thereof the passenger tickets and goods receipt received in stock and those issued by him from time to time. Separate registers shall be maintained for each category of passenger tickets and goods receipts.

The register referred to above shall be got authenticated by the owner from the Assessing Authority before bringing it into use and shall be surrendered to the aforesaid authority within a period of ten days of the date on which it is completely written up.

Demand and Collection Register

4.11 Demand and Collection Register in form PTTE. (Revised) for the demand and collection of passengers and goods tax was prescribed in Excise and Taxation Commissioner composite Punjab's endorsement No. 2411 ST. VIII dated 24-5-1963

The quarterly instalments of tax deposited in to the treasury in cash by the owner of a vehicle under proviso to Rule 9 (ii) of the Punjab Passengers and Goods Tax Rules, 1952 are entered in this register. Necessary entries of tax deposited in a district in which the vehicle is registered under the Act, or the cases in which tax is recovered at Sales Tax Check Barriers are also made in this register.

CHAPTER – 5

AUDIT CHECKS

Registration of vehicles

5.1 It should be seen that

- (i) application for registration is made in the prescribed form PTT 1
- (ii) the fee as prescribed has been recovered as provided under Section 9 (I) of the Act.
- (iii) the date of liability to pay tax is fixed correctly
- (iv) tax due and penalties levied are received if the vehicles remained on the road unregistered which might have come to notice of the department, under Rule 4 of the Punjab Passengers and Goods Tax Rules, 1952.
- (v) all the Vehicles in respect of which the registration certificate are issued are entered in the Register of certificates of registration (Form PTT 2). It should be seen that complete details of the vehicle registered are brought over in the demand and collection register.
- (vi) in the case of transport buses, it should inter-alia be seen that the number of trips are entered correctly in the certificates of registration.

Demand and collection register

5.2 It should be seen that

- (i) amount due is demanded regularly, collected promptly and is accounted for correctly in the books and prompt action taken to realise the outstandings.
- (ii) quarterly instalments at the prescribed rates are recovered within 30 days of the quarter concerned and in the case of delayed payments, penalties are levied/recovered by the competent authority.
- (iii) number and dates of challans with which the quarterly instalments have been deposited into the treasury are entered in the disposal register under proper authentication.
- (iv) entries made in the register should be linked with the Daily Collection Register.

- (v) arrear on account of overdue instalment, penalties are duly brought in the register and recovered as arrears of land revenue.

Detection Register

5.3 It should be seen that

- (i) the cases of evasion of tax etc. as detected by the taxation staff and also the enforcement staff are entered in the relevant detection registers and pursued to finality without avoidable delay,
- (ii) amount of tax due and penalty levied are recovered within the prescribed due date,
- (iii) treasury challan number and date under proper authentication have been recorded against the recoveries effected.

Assessment/Re-Assessment – Recovery of Tax/Penalties

5.4 While scrutinising the assessment/re-assessment cases it should be seen that

- (i) the prescribed monthly returns (PTT 7A and 8A) were furnished by the assessee by the due date and in the case of delay penalties were imposed according to the provisions of law. Entries of the receipt of the monthly returns (PTT 7A and 8A) should also be traced in the relevant register maintained for the purpose,
- (ii) number of trips availed of by the transporters are not in excess of those entered in the Registration Certificate. Any special/additional trips undertaken are duly taken into account,
- (iii) claims of statement of tax are not allowed merely on the basis of representation that the vehicle was off the road,
- (iv) payment of tax in cash/ through adhesive stamps are supported by treasury challans,
- (v) assessments are not delayed and notices of demand were issued at proper interval and pursued vigorously,
- (vi) arithmetical calculations should be checked in detail,
- (vii) additional demand assessed/penalties levied have been realised within the

prescribed dates,
(viii) in the case of refunds, it should be seen that refund have been allowed under the sanction of the competent authority after observing the prescribed procedure.

Daily Collection Register

5.5 All payments under the Passengers and Goods Taxation Act, 1952 in a treasury/sub treasury are noted in the Daily Collection Register, indicating the challan numbers and date of deposit. Deposits are reconciled with the treasury accounts at the end of each month under proper attestation. It should be seen that the entries in the register are made on the basis of copies of receipted challans received from the treasury/reconciliation effected with the treasury monthly and a consolidated monthly treasury receipt obtained from the Treasury Officer. Entries in the treasury records are to be traced in respect of the selected month(s).

In the case of the tax etc. received through demand drafts from other offices, it should be seen that the tax has been received at the prescribed rate, demand draft are deposited with the treasury promptly and properly accounted for.

Chapter 6 of 'Land Revenue' regarding, H Qrs portion for editing etc. apply to passengers and goods tax also.

Miscellaneous Audit Check

5.6 In addition to the foregoing audit checks, the following checks may also be exercised:-

- (a) the exemption from the payment of passengers and goods tax has been allowed by issuing a notification under Section 10 of the Act.
- (b) in the case of any change in the rate, trips, seating or standing capacity or the fare of the stage carriages which has increased the income of operators, the old/fresh amended registration certificate issued by the District Excise and Taxation Officer concerned may be examined in detail. In order to ascertain the change in rates, timings and fares, the agenda of the concerned Regional Transport Authority need to be examined,

- (c) where a passenger is carried by a stage carriage at a concessional rate or without being charged any fare normally chargeable for the journeys was taken to be the fare payable by such passenger,
- (d) the amount of refund has been correctly worked out and noted against the relevant original entries under the orders of competent authority. The observance of rules in respect of duplicate refund voucher and its revalidation may be examined,
- (e) the write off of arrears are covered under the orders of competent authority,

In respect of agreement relating to taxation of passengers and goods carried by road entered in to between Government of Haryana and any other State Government, it should be seen that the levy and collection of the tax was done in accordance with the terms and conditions of the reciprocal agreement.

Extent of Audit

5.7 (a) A general review of the Operator’s Registration Certificate Register may be conducted by the Asst Audit Officer to verify that the returns due have been submitted by the operators within the prescribed time in all cases and cases of delay/non-filing of returns are proceeded against in the manner laid down in the rules.

(b) 3 months entries in the various registers may be checked in detail by the Auditor/ Sr. Auditor and a general review of works done by the Auditor/Sr. Auditor may be conducted by the A.A.O.

(c) Assessment files may be scrutinised to the extent indicated below. (The monetary limits mentioned below are with reference to total tax paid by an operator in respect of all vehicle owned/operated by him).

When the tax effect is Rs.25000/- or more	100% by the A.A.O. and review by the Inspecting Officer to the extent of 50%
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When the tax effect is Rs.10000/- and more but less than 25000/-	50% by the A.A.O. and review by the I.O. to the extent of 25%
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When the tax effect is Rs.1000/- and more but less	25% by the A.A.O and review by the I.O to the extent of 10%.
---	---

than Rs.10000/-

When the tax effect is less than Rs.1000/- 10% by the Auditor/Sr. Auditor and general review by A.A.O and I.O

(d) Where the operator has opted to pay tax on lump sum basis instead of on assessment basis, all cases where lump sum per vehicle is Rs.5000/- or more may be checked cent per cent by the A.A.O and reviewed by the I.O. to the extent of 50% and other cases may be checked to extent indicated below:-

Where the lump sum tax per vehicle is Rs.1000/- and more but less than 5000/- 50% by the A.A.O, 25% by the I.O.

Where the lump sum tax per vehicle is less than Rs.1000/- 25% by the Auditor/Sr Auditor and a general review by the A.A.O./I.O.

In addition, the Inspecting officer should conduct a general review of all lump sum cases to see that the provision in the law permitting option to pay tax on lump sum basis is not generally acting against the interest of Government.

(e) Refund Cases

All cases exceeding Rs.1000/- and 10% of other cases review by A.A.O All cases exceeding Rs.1000/- and 5% of other cases checked by Auditors/Sr Auditors and review by I.O 25% of cases exceeding Rs.1000/- and general review of other cases.

Periodicity of Audit: - Generally the Regional Transport Officers functions as the Registering, Licensing and Taxation Authorities under the various Acts. These offices and also the offices of other Taxation Authorities, if any, like State Transport Commissioner, Deputy Transport Commissioner, Sub Division Officer, Treasuries may be inspected annually.

As regard the time necessary for audit it is felt that a period of 10-15 days for each office would be adequate. The period may be proportionately reduced based on work load in States like Haryana where the power of taxation under various Acts vest in different authorities.

Supervision of Inspecting Officer 50%
(C.A.G Circular No.3 of 1973 issued vide No. 1320-Rev-A-/8-73 dated 5-3-73)

5.8 Allocation of Duties amongst the Staff.

I. Audit Officer/Sr. AO

1. Review of items marked with asterix and discussion of outstanding Local Audit Report paras.
2. Allocation of work to Assistant Audit Officer/Auditor/Sr. Auditor to enable cross check with records in other Excise and Taxation Officer, with those in Motor Vehicle Registration Offices, where all the taxes in this section E and connected taxes are not dealt with in same office.
3. Payment of passengers and goods tax in lump sum amount in excess of Rs.5000/- (Audit Officer/Sr Audit Officer may raise or lower this limit to ensure that 25 percent of the Lump sum payments of high value are audited by him).

II. Assistant Audit Officer

- *1. Audit of register and files dealing with recovery and demand of vehicles tax and fee for registration and re-registration.
- *2. Audit of registers and files dealing with recovery, remittance and demand of fees, penalty etc. including watching and checking recoveries and dues from other states and finding system defects.
- *3. Audit of registers and files dealing with recoveries or tax or licence fees for plying contracts stage vehicles and renewal of licences.
- *4. Audit of assessment files relating to passengers goods tax based on freight/seating capacity of vehicles or weight. Other than compounded rate or lump sum payments including assessment of such tax on state and contract carriages.
- *5. Payment of passengers and goods tax at compound rates or as lump sum

above Rs.1000/- and below Rs.5000/- or such limits as Audit Officer/Sr. Audit Officer may fix to ensure that 50 percent of such payments are audited by Assistant Audit Officer.

III. Auditors/Sr. Auditors/Supervisor

- *1. Check of 10 percent of recoveries posted in Demand and Collection registers and such other registers with payment documents or treasury records e.g. challans.
- *2. Collection of details of 10 percent of entries in record or vehicles transferred to jurisdiction of other offices in same or other states for tracing in other offices by reference to other audit parties or other Accountant General (Audit)/Director of Audit to see if tax is being recovered in other offices without break.
- *3. Check of cash books, receipts books and other registers and relevant records.
- *4. Payment of passengers and goods tax compounded or made in lump sum where amount does not exceed Rs.1000/- (Audit Officer may raise or lower this limit to ensure that 25 percent of such payments are audited by Auditor/Sr Auditor).

(C.A.G letter No. 252-Rec.-A-IV/3(I)-84 Cir.I dated 28-02-84

5.9 Composition of Inspection Parties and procedure for conducting of local inspection.

Detailed procedure has been incorporated in Chapter 10 of the Manual on State Excise Duties.

APPENDIX-1

IMPORTANT AND INTERESTING JUDICIAL DECISIONS/IMPORTANT ORDERS

Liability to pay tax by Corporation/factories

The Punjab and Haryana High Court (Civil writ No.670 of 1969) held that

When a corporation carries its employees in its own buses by recovering from them some amount which may be called as administrative charge or anything else, it carries its employees as passengers (for reward) within the meaning of Section 2 (f) of the Act, and operates its buses as public service vehicles within the meaning of Section 2(i) of the Act read with Section 2(25) of the M.V. Act, 1939.

Liability to pay tax by Municipal Committees Classification

The tractors plying with trolley owned by the Municipal Committees are used for disposal of Night Soil dead Bodies of Animal etc. which is treated as commercial activity are not exempt from the payment of tax and are legally liable to levy of tax as clarified by the E.T.C. Haryana Chandigarh vide his memo No.1428 dated 26-6-85.

APPENDIX – II
GLOSSARY

Act : Means the Punjab Passengers and Goods Tax Act, 1952.

Agent : means a person authorised in writing by an owner to appear on his behalf before any officer empowered under the Act to carry out the purposes of the Act.

Assessing Authority : in respect of any owner means the officer incharge of the district or the Excise and Taxation Officer incharge of the circle within whose territorial jurisdiction the owner's place of business is situated or an officer not below the rank of an Assistant Excise and Taxation Officer directed by the Commissioner to exercise the powers of , and perform the duties and functions of Assessing Authority.

Assistant Excise and Taxation Officer: may the person appointed by that designation by the State Government under section 7 of the Act to assist the Commissioner.

Deputy Excise and Taxation Commissioner: means the person appointed by that designation by the State Government under section 7 of the Act to assist the Commissioner.

Excise and Taxation Officer : means the person appointed by that designation by the State Government under section 7 of the Act to assist the Commissioner.

Form : means the form appended to these Rules.

Free luggage allowance : means the weight of the personal luggage allowed to be carried free of charge, in a state carriage by a passenger travelling by that carriage.

Goods Receipt : means the receipt preferred by an owner of the Motor vehicle in respect of the goods carried or transported by him.

Joint Excise and Taxation Commissioner : means the person appointed by that designation by the State Governor under section 7 of the Act to assist the Commissioner.

Place of business in relation to an owner : means the place in the State, where the account of business are kept and if there are more than one such places (hereinafter called the branches) such places as is nominated by him as his head office and if no such nomination is made by him, the branch which is nominated by the Commissioner, as the head office.

Stamp : means the stamp issued by the State Government.

Ticket : means a ticket issued by an owner.

Prescribed Authority : means for the purpose of (i) section 3, 6, 9, 11, 12, and 21 of the Act.

The Assessing Authority

Section 13, 13-A and 14 an officer of the Excise and Taxation Department who is not below the rank of Taxation Inspector within his jurisdiction or an officer of any other department of the State Government authorised by the Commissioner in this behalf and within the jurisdiction as specified by the Commissioner.