

CHAPTER - V

ADVERTISEMENT TAX AND VEHICLE TAX

- A) Legal Provisions
- B) Trends Analysis
- C) Observations

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(A) ADVERTISEMENT TAX :

A) LEGAL PROVISIONS :

Advertisement Tax is subject to the rules made under Maharashtra Municipality Act 1965 (Advertisement Tax) Rules 1970 applicable from 1st September, 1970. It is the tax on advertisement done by advertisement media excluding the advertisement made in Newspapers. Rule of tax is applied as per the rates given in Appendix 3 of Maharashtra Official

... 68/-

Gazettee 1/4/71-73 in column in 3 and 4. As per legal provision rate can be applied by passing special resolution at special meeting held by Municipal Council.

Tax is levied on individual, institution, firm and company which makes advertisement on lands, buildings, walls, boards and constructions in Municipal Area. Tax is not levied on the advertisement for public meeting, elections, Government administration, family planning, railway administration, window dressing by owners of lands and buildings. Different rates are applied for different types of advertisements. In Gazette there are given maximum and minimum limits.

TYPES OF ADVERTISEMENTS :

1. Advertisement sticked on walls and pillars, constructions without lighting.
2. Advertisement sticked on walls, pillars, construction with lighting.
3. Advertisement beared by bullocks, men etc. without lighting.
4. Advertisement beared by bullocks, men etc. with lighting.
5. Board carried by sandwich board men without lighting.
6. Board carried by sandwich board men with lighting.

- 7. Hanged on roads without lighting.
- 8. Hanged on roads with lighting.
- 9. Boards without lighting containing names only.
- 10. Boards for auctioneers.

B) TRENDS ANALYSIS :

Revenues from the advertisement tax is given below for the period from 1980-81 to 1984-85 in the Table No. 8.

TABLE NO. 8

REVENUES FROM ADVERTISEMENT TAX

Year.	Revenues (Rs.)
1980-81	67
1981-82	321
1982-83	275
1983-84	320
1984-85	908
1985-86	400 (Budget)

(Source :- Annual Accounts)

As can be seen from the above Table, it is clear that revenue from advertisement tax is of very small amount. It cannot contribute as major share in total revenues of Nagar Parishad Revenue in the Table is increasing as it depends upon the advertisement campaigns or commercial

conventions in particular area. In future there is possibility of widespread use of advertisement in trade and business.

C) OBSERVATIONS :

Investigator has made direct observations and found that boards containing names of traders and businessmen are not taxed. Boards containing more the names of articles sold are not taxed. Boards containing the appeal for purchasing to general public and kept in places under municipal jurisdiction are taxed. e.g. board of 'Bank of India' at the Branch Office is not taxed but such board kept at the bus stand is taxed. Many boards containing names of traders in small corner space of the board but names of articles and pictures of goods on large space of some board are not taxed because as per legal provision it is not advertisement. Revenue from this source is at low level because majority number of advertising boards are outside the scope of legal provisions. By making collusion with collecting staff, many traders have got the advertising boards prepared in such a manner that it would not be taxed under existing provisions. Another inadequacy is definition or scope of advertisement to be taxed is not clearly mentioned in the Rule No. 6 so which boards, names, words are treated as advertisement is not known exactly.

(B) VEHICLE TAX :

A) PROVISIONS & ANALYSIS :

■ Vehicle Tax is levied from 1st October, 1983 onwards as per the permission given by Chief Officer for tax rules and Regional Director, Nagarpalika Administration, Pune Division - Pune and as per Section 322 (3) F of Maharashtra Nagarpalika Rules and Regulation 1965. (Taken from letter of Tax Superintendent Gadhinglaj Nagar Parishad dated 19/8/1983). It is known as Gadhinglaj Municipal Council (Tax on Vehicles) Bye-laws 1982. Sec. 2 - Vehicle, shall mean all vehicles excluding motor vehicles as defined in the Motor Vehicles Act 1939 specified in schedule.

Tax shall be levied on the vehicles of the description given and kept for use within Municipal Area whether they are actually kept within or outside such area.

Following vehicles are exempted from Tax.

- a) Vehicles in transit and staging in municipal area not larger than fortnight.
- b) Vehicles belonging to Council.
- c) Vehicles used for sick, dead, injured free of charge.
- d) Vehicles belonging to municipal officers used for discharging duties.

Person in possession of vehicle should use badge given by Chief Officer. Tax is leviable from owner or possessor of vehicle.

As per schedule given in Rules 1970 vehicles to be levied tax on them are as follows.

Hand Cart, Two wheeled horse carriage, Wheel-borrows, Four wheeled horse carriage, Bullock-cart, Cycle, Rikshaw.

(Any other vehicle excluding cycle not provided hereinabove and which is not motor vehicle Motor Vehicle Act, 1939).

It is found that there are many types of taxes on the owner of hand cart selling fruits in the market e.g. Place and Road Regulation Cess, Market tax, tax on goods sold, and vehicle tax. It causes irritation among the public and it becomes main issue for opposition in Municipal Election. Chief Officer said that resolution passed by Council and Orders of Collectors dashes with each other and it becomes difficult to administer the tax. Record of numbers, chases of cycles, carts, is so difficult work that some officials frankly said that it is better not to tax.

As per Section 2 of Bye-laws 1982 vehicles include those vehicles the owners of which are unable to pay vehicle tax regularly due to fluctuation in their income, low income and generally they are poor persons.

B) ANALYSIS AND OBSERVATIONS :

Vehicles other than vehicles under Motor Vehicle Act 1939, are found namely bullock carts, hand carts only. So it is clear that revenue from such poor persons will not increase in thousands of amounts as is seen in following Table No.9.

Opinion of the Councillors is that it is better to postpone or relax or to abolish the tax for avoiding public opposition. Councillors say that major tax proceed from vehicle tax. Trends in the revenues from Vehicle Tax from 1980-81 to 1984-85 is given below in the Table No. 9.

TABLE NO. 9

REVENUES FROM VEHICLE TAX

Year	Revenue (Rs.)
1980-81	- )
1981-82	- ) No Levy
1982-83	- )
1983-84	671 Levy Started
1984-85	369
1985-86	700 (Budgeted)

(Source :- Annual Accounts)



Councillors say that major tax proceed from Vehicle Tax is reaped by State Government and there is tendency on the part of Government not to leave the source in the hands of Local Bodies. They further opined that State wants the existence of non-viable Local Bodies. There may be political and economical causes for it.

From the Table No. 9 it is clear that revenue from this tax is badly limited and hence requires no further comparison. Another fact is that appointing one clerk for collecting this proceed is costly affair as revenue of this source cannot maintain one clerk.

In 1983-84 levy under this tax was started but wide complaints, agitations from students, citizens were received. As per interview with the tax Superintendent, it is found that Government had influenced the Municipal Councils to levy such supplementary but unprofitable tax by withholding grants to municipalities. It is also found that if vehicle tax is not paid there is no machinery in the hands of municipality for punishment.

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