

A Critical Study of Tax Assessment in Nagarpalika of Amravati District

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Abstract

The income from Tax is considered as an important revenue. However, this income source is important as per our Indian constitution in representative democracy, But the use of taxes income for development is not satisfactory. The action which Government takes on the basis of collected tax is not social beneficial. The process of spending money on various project is doubtful and also corrupted. So this tax assessment is made compulsory by low constitution as per 40 direction constituted in 1949. This study will be focus on the process of Tax collection and assessment in various Nagarpalikas of Amravati District. It is an honest attempt to find out the various method of tax assessment as well as implementation of collected money for social development.

Keywords : Education Tax, Fire extinguisher tax, Other special Taxes, Property Tax, Tree Tax, Sanitation Tax.

Classification-JEL : H21, H22, H27, H31, H71

1. INTRODUCTION

Tax assessment in India is carried out at large scale from pre-independence. Tax is the main source of income for India to provide various basic and fundamental facilities to the society. Government spends this income on various development. Even today the importance of tax is given. The income from Tax is considered as an important revenue. Though this income source is important as per our Indian constitution in representative democracy, But the use of taxes income for development is not satisfactory. The action which Government takes on the basis of collected tax is not social beneficial. The process of spending money on various project is doubtful and also corrupted. So this tax assessment is made compulsory by low constitution as per 40 direction constituted in 1949.

In 1965 some rules and regulations are made for the establishment of Nagarpalika as per 74 amendment in constitution from 1994. Nagarpalika, Nagarpanchayat and industrial cities are established on some condition. The first condition is that the minimum population of city must be 25000. The second one is that the ratio of employment in non agriculture business should be 75% or more than this. The third condition is that the Nagarparishad has right to take decision regarding status of Nagarparishad and the departments to be included in this.

In Maharashtra state the act of municipal corporation Nagarparishad is came into force from 1994. As per Indian constitution section 243 'A' subsection '2' it is declared that the city or place which has lowest population in comparison with big cities will be recognized as Nagarparishad. This study will be focus on the

process of Tax collection and assessment in various Nagarpalikas of Amravati District. It is an honest attempt to find out the various method of tax assessment as well as implementation of collected money for social development.

TABLE 1

Establishment of in Nagarpalika Amravati District

S. No.	Nagarparishad/ Nagarpalika	Year of established	Population (In 2011)
1	Achalpur	1956	107000
2	Anjangoansurjee	1939	56380
3	Warud	1937	45528
4	Chandur Rly	1948	19776
5	Dhamagam Rly	1947	21847
6	Chandur Bajar	1948	18759
7	Daryapur	1937	36463
8	Morshi	1936	37233
9	Shendurjana Ghat	1948	21748
10	Chikhaldara	1948	5158

2. STATEMENT OF THE PROBLEM

After independence in India the much importance is given to the tax as the main source of income. Tax is also the main income source of various Nagarpalikasin various States. These Nagarpalikas use their tax system as per low to collect various taxes. So this research study is essential to find out the various differences between Nagarpalikas. In this process tax Assistant and tax clerk play very important role. In all these things regarding tax system in Nagarpalika's are critically analyzed.

3. REVIEW OF LITERATURE

In order to complete research paper many references has to be taken and it is important for complete of work. Because researcher has to face lot of problems while researching researcher has to review tax assessment and determination instrument has to considered and various literature which published before.

Agrawal Pavan K. (1991) : In their research article title "The Responsiveness of Personal Income Tax". Publish in research article in news page no. 16 suggested that. Inequality in distribution of income is major defect and for that develops proper method According to

report importance given to changes in income and their elastic result.

Govindrao (2000) : In their research article title "Analyzed the Tax reform, In India." Publish in research paper 23. Concluded that according to written to much changes in taxation system and also comparison between Direct and Indirect taxes. If changes in tax structure then eliminate inequality and new important in Indian tax economy.

Menkar Dilip (2006) : In their research article title, "Local Government in Maharashtra." Published LokamatNews Paper p.p.no.03 suggested that according to writer Govt. earn money in the form of taxes and in panchayt Raj main sources of revenue is tax collected from public and tax collected by authority.

Rao M. Govinda, Rao R. Kavita (2006) : In their research article title "Trends and Issues in Tax policy and Reform in India" published Indian policy reform 20, p. p. 06, 55, 121 concluded that. To Return India written included tax policy and in that tax policy considered Direct & Indirect tax according to Reports since last 20 years in the world to much changes in taxation system develop country taxation system always change but under develop country like India it is necessary to changes tax structure.

In India larger proportion financial losses break down are since it is because unbalancing tax structure for necessary to changes tax structure for that in domestic production central Govt. & State Govt. provide revenue and generate Direct and Indirect taxes. And earn income in the form of advance taxes and other taxes.

Sinha Ria (2010) : In their research article title "Centre for budget and Governance Accountability" accounting A-11, second floor NitiBagh, New Dilhi -110049, P. P. 1 to 30 concluded that. And research paper title An International comparison of Tax reigns. As per writer developing country like in India main serves of revenue is tax and from taxes country earn income in that income help in deciding financial policy.

In developing country India revenue earn the way of taxes and different expense that we campier this countrylike Canada, America, UK, Japan, Coriea, India looks weeks so writers intensively focus on development.

4. OBJECTIVES OF RESEARCH

- i) To study tax system inNagarpalikaof Amravati District.
- ii) To Study various taxes which are made applicable to the society.
- iii) To reviewNagarpalika's and their population.
- iv) To find out which Nagarpalika's collect much revenue.
- v) To understand the tax system of various Nagarpalika's of Amravati District on the basis of their status.

5. METHODOLOGY

In order to study tax system of various Nagapalika's, the primary and secondary sources will be used. The information will be collected to give this paper critical attitude. The researcher will visit various Tahsil places of Amravati district to collect information regarding tax system. The method of simple random sampling used for research purpose. The primary information will be gatherd from interviewing ten tax assistant 50 tax clerk(10 as per 5).

TABLE 2
Information Data

Sr. No.	Responded	No of Responded
1	Tax Assistant	10
2	Clerk	50
	Total	60

Source: Survey

a) Statistical Tools: The Chi-square test is used a forstatistical analysis of collected information and for the verification of hypothesis.

b) Hypothesis: H_0 :Revenue doesnot increase with tax system of Nagarpalikas.

H_1 : Revenue increase with tax system of Nagarpalikas.

c) Limitation to the study :

- i) This paper is limited to study and Nagarpalika/Nagarprishad only of Amravati District.
- ii) The findings may or may not be applicable for other Nagarpalikas.

6. DATA INTERPRETATION AND ANALYSIS

TABLE 3
Source of revenue

Sr. No.	Responded Opinion	Opinion	Percentage
1	Strongly Agree	49	82%
2	Agree	8	13%
3	Neither Agree or Disagree	3	5%
4	Disagree	0	0
5	Strongly Disagree	0	0
	Total	60	100%

Source: Primary Data

From the above table it is found out that as per operation at supervisor clerk 49 (82%) revenue comes from taxes.

TABLE 4
Taxes

Sr. No.	Responded Opinion	Opinion	Percentage
1	Strongly Agree	53	88%
2	Agree	5	9%
3	Neither Agree or Disagree	2	3%
4	Disagree	0	0
5	Strongly Disagree	0	0
	Total	60	100%

Source: Primary Data

From the above table it is found out that 53 (88%)opinionsShow that tax payment is primary liability of customer so thatNagarpalika can providebasic facility to society / people.

From the above table found out that 46 (76%)opinions that tax is the main source of revenue. The tax recovered is important for

TABLE 5
Tax Increases

Sr. No.	Responded Opinion	Opinion	Percentage
1	Strongly Agree	46	76%
2	Agree	12	20%
3	Neither Agree or Disagree	2	2%
4	Disagree	0	0
5	Strongly Disagree	0	0
	Total	60	100%

Source: Primary Data

TABLE 6
Application Chi-square Test

Sr. No.	Responded Opinion	'O'	'E'	Chi-square
1	Strongly Agree	95	24	210.04
2	Agree	20	24	0.67
3	Neither agree of Disagree	5	24	15.04
4	Disagree	0	24	24
5	Strongly Disagree	0	24	24

$$\text{Expected Frequency} = \frac{\sum m}{n} = \frac{120}{5} = 24$$

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

$$\chi^2 = 237.75$$

various development, various facilities and basic salary of employees. Tax is an important source of income for Nagarpalikas.

7. FINDINGS

Above information clear that calculated value (237.75) more than table value (18.465) at a significant level 0.001 for four D. F. therefore our alternative hypothesis accepted H10.

a) Tax assessment :

Calculation of Taxable Value :

e.g. plot construction area = 2000 sq.ft.

Auto D. C. R. = 1000 sq.ft.

Actual construction area 1000 sq.ft.

1000 / 1076 = 92.44 m × 10.74

(Taxable Value 900)

TABLE 7(a)
Tax assessment

Sr. No.	Types of Tax	Tax Assesment	Financial Year Demand	
			01/04/2014 to 30-09/2014	01/10/2014 to 30-03/2015
1	Consolited property Tax	27%	121.50	121.50
2	Special education Tax	4%	18.00	18.00
3	Sewage Tax	5%	22.50	22.50
4	M.H. Education Tax	1%	4.50	4.50
5	Tree Tax	2%	9.00	9.00
6	Exstinguis her Tax	Rs. 6 each	6.00	6.00
7	Sanitation Tax	Rs. 30 each	30.00	30.00
	Total		211.50	211.50

Source :Secondary Data

TABLE 7(b)
Tax Assessment

Sr. No.	Types of Tax	Types Assesment	Financial Year Demand	
			01/04/2014 to 30/09/2014	01/10/2014 to 31/03/2015
1.	Consolited property Tax	27%	24324.50	24324.50
2.	Tree Tax	1%	901.00	901.00
3.	Sanitation Tax	5%	4504.50	4504.50
	Total		29730.00	29730.00

Source : Secondary Data

b) Tax Assessment Categories :

i) Category 'A'

Name of Assesses = Smt.KantabaiUkhande

Property No. 34000916 (Taxable Value 900)

Address = Achalpur (Ward No. 9)

TABLE 7(c)
Tax assessment

Sr. No.	Types of Tax	Tax Assesment	Financial Year Demand	
			01/04/2014 to 30-09/2014	01/10/2014 to 30-03/2015
1	Property Tax	23%	1092.50	1092.50
2	Education Cess	1%	47.50	47.50
3	Employment grantee tax	2%	95.00	95.00
4	Three Tax	1%	47.50	47.50
5	Special Clean tax	1%	47.50	47.50
6	Exstinguisher Tax	1%	47.50	47.50
7	Sanitation Tax	2%	95.00	95.00
	Total		211.50	211.50

Source : Secondary Data

ii) Category 'B'

Name of Assesses : Smt. Govt. hospital Anjangaon Surjee

Address :ward No. 8 Anjangaon Surjee

Property No. : 07001571 (Taxable value 180180)

Use of Purpose :Govt. property

iii) Category 'C'

Name of Property = Non-Residential (Zone No.1) Chandur Bazar.

Name of Assesses :ShriRamnarayanJayswal.

Property No. 03000428 (Taxable Value 9500)

8. RECOMMENDATION

Taxes collected from beneficially have main sources of revenue.

Tax collections have increased with the help of awareness.

Tax assistant and clerk have played important role increasing revenue from taxpayer.

Before independence, British Government had focus on sources of taxation.

9. CONCLUSION

Thecategories 'A' 'B' & 'C' suggested thatTax assessment in Nagarpalikas is the main source of income.Nagarpalika can collect various taxes as per low and this income is used to provide various facilities to the society. It also plays important role to maintain good administration in Nagarpalikas.

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