

## **I. ABOUT THE DIVISION**

The Secretary cum Commissioner holds the charge of Commissioner of Commercial Taxes Division. He is vested with the power to act as final appellate authority. The Special Commissioner functions as the head of office, hence, planning, policy implementation, monitoring and day to day functioning of the division is carried out under his directions. The administration of the division is divided into two zones. The North-East Zone has its office in Gangtok, and South-West in Jorethang, South Sikkim. Recently an office has been set up at Geyzing, West Sikkim.

The officers at level of Joint Commissioner, Deputy Commissioner and Assistant Commissioners hold respective territorial and financial jurisdictions. The Commercial Taxes Inspectors and Assistant Inspectors assist assessing authorities in assessments and collection of taxes by conducting survey/inspections and verifications. The two main Check posts at Rangpo and Melli are under the control of Deputy Commissioner and Assistant Commissioner respectively. Ramam, Reshi and Suminkhor Check posts are under the superintendence of Assistant Inspectors. Commercial Tax Inspectors, Assistant Inspectors and Checkers are posted at these check posts.

## **II. ACTS ADMINISTERED BY THE COMMERCIAL TAXES DIVISION:**

1. Sikkim Sales Tax Act, 1983
2. Central Sales Tax Act, 1956
3. Sikkim Value Added Tax Act, 2005
4. Sikkim Ecology Fund and Environment Cess Act, 2005
5. Sikkim Tax on Professions, Trades, Callings and Employment Act, 2006
6. Sikkim Transport Infrastructure Development Fund Act, 2004
7. State Income Tax Manual,1948(Discontinued w.e.f.16.06.2008 vide Circular no.2/Fin/Adm )

## **III. OFFICES/SECTIONS UNDER THE DIVISION:**

1. Commercial Taxes Division(Head Office)  
Sonam Tshering Marg, Secretariat Annexure-I, Gangtok
2. Office of the Joint Commissioner of Commercial Taxes(south/West Section),  
Jorethang,  
South Sikkim.
3. Office of the Deputy Commissioner of Commercial Taxes, Rangpo Check Post.
4. Office of the Assistant Commissioner, Melli Check Post
5. Raman Check Post, West Sikkim
6. Reshi Check Post, East Sikkim
7. Office of the Assistant Commissioner, Geyzing, West Sikkim.

**IV. SANCTIONED STRENGTH AND MANPOWER IN POSITION IN COMMERCIAL  
TAXES DIVISION DURING 2011-12:**

<b>Sl. No.</b>	<b>Designation</b>	<b>Sanctioned Strength</b>	<b>Present Strength</b>
1	Commissioner	1	0
2	Special Commissioner	1	1
3	Additional Commissioner	1	1
4	Joint Commissioner	4	1
5	Deputy Commissioner	6	4
6	Sr.Accounts Officer	-	1
6	Assistant Commissioner	10	8
7	Under Secretary/Adm	1	-
8	Accounts Officer	1	-
9	Assistant Director	1	1
10	Office Superintendent	1	1
11	Senior Accountant	1	2
12	Inspector	18	8

13	Stenographer	2	1
14	Accountant	5	8
15	Jr. Accountant	2	-
16	UDC.	1	2
17	LDC.	10	10
18	Accounts Clerk	4	3
19	Programmer	1	1
20	Computer Operator	4	2
21	Assistant Inspector	10	11
22	Checker	20	19
23	Driver	12	8
24	Peon	8	7
25	Private Secretary	-	1
26	Head Assistant	-	2
	<b>Total</b>	<b>125</b>	<b>103</b>

**V. TARGET AND COLLECTION FOR THE YEAR 2011-12**

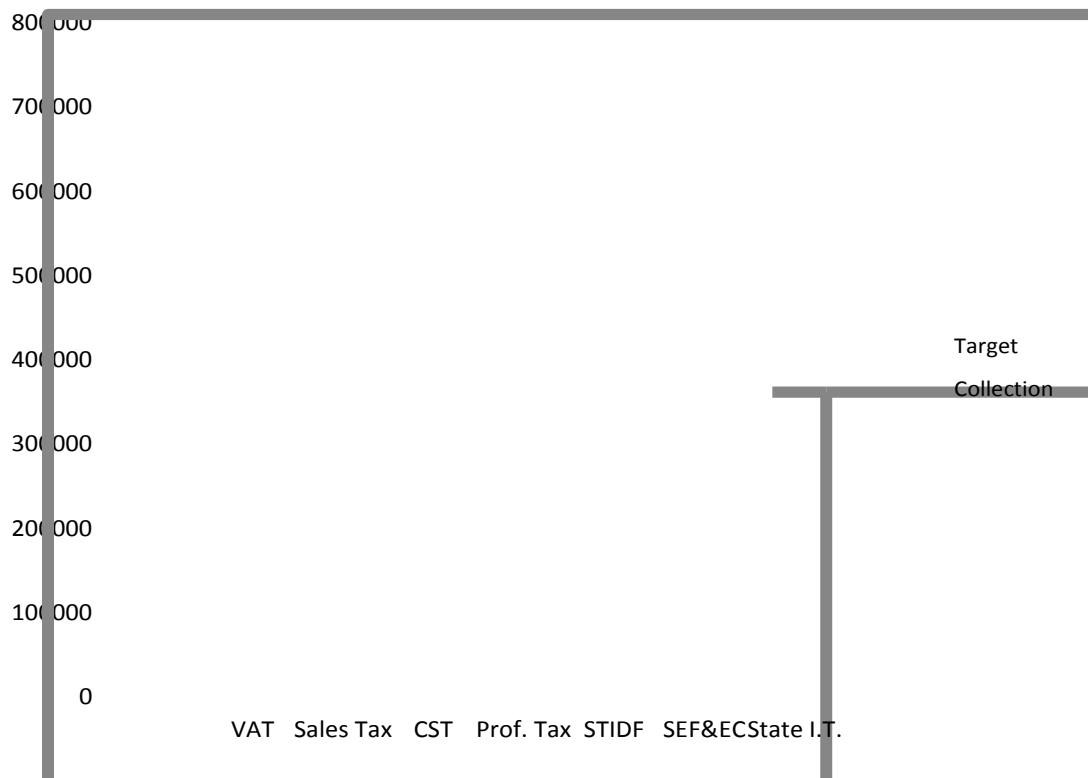
( ` in thousands)

Sl.No.	Tax/Cess	Target	Collection	Increase(+) Decrease(-)	% Increase
1.	VAT	700000	717277	+17277	2.47

2.	Sales Tax	207000	255888	+48888	23.62
3.	CST	83000	100014	+17014	20.50
4.	Prof. Tax	47500	47096	-404	-0.85
5.	STIDF	80900	100895	+19995	24.72
6.	SEF&EC	180300	186221	+5921	3.28
7.	State I.T.	100	68	-32	-32
<b>TOTAL</b>		<b>1298700</b>	<b>1407459</b>		

The table above shows that the total revenue target set for the year 2011-12 was ` **129.87** crores against which the Commercial Taxes Division was able to achieve a collection of ` **140.74** crores. Thus the target was exceeded by ` **10.87** crores .

The chart below shows the graphical representation of taxes and cess collected against the target set for the year 2011-12.



## **VI. DETAILS OF THE COLLECTION OF TAX/CESS**

### **a. Value Added Tax (VAT) @ 1%,4% and 12.5%**

( ` in thousands)

Target:	700000
Achievement:	717277

SOURCE: All the vat able items except liquor, petroleum items and molasses as listed in the Schedule II, III, VI and V of the Sikkim Value Added Tax Act, 2005.

### **Bifurcation of Collection of Taxes from following sources:**

i. Tax paid (Automobile Dealers) :	`	6,77,76,316
ii. Admitted Tax (Dealers) :	`	9,76,83,834
iii. Imposition of Penalty:	`	33,45,843
iv. Special Waybill:	`	1,88,303
v. Sale of Statutory Forms:	`	7,21,500
vi. NOC Fee:	`	2,34,614
vii. Tax Deducted at source:		
Remitted by cheque+ Book adjustment:	`	54,73,26,590

### **TOTAL**

### **PAST COLLECTIONS:**

( ` in crores)

<b>YEAR</b>	<b>TARGET</b>	<b>COLLECTION</b>
2005-06	20	25.92
2006-07	22	43.47
2007-08	37	49.44
2008-09	55.37	69.05
2009-10	65	77.35
2010-11	88	99.36
<b>2011-12</b>	<b>70</b>	<b>71.73</b>

**b. SALES TAX: @ 7.5%,15% and 20%**

( ` in thousands)

Target: 207000  
Achievement: 255888

SOURCE: Liquor & petroleum products:

**PAST COLLECTIONS:**

( ` in crores)

YEAR	TARGET	COLLECTION
1997-1998	13.00	12.71
1998-1999	15.50	13.06
1999-2000	16.00	13.64
2000-2001	16.50	24.50
2001-2002	21.50	35.00
2002-2003	21.50	41.38
2003-2004	27.00	48.87
2004-2005	35.00	48.07
2005-2006	24.00	23.43
2006-2007	24.00	26.74
2007-2008	25.00	25.89
2008-2009	29.00	26.06
2009-2010	32.48	36.82
2010-2011	42.34	34.86

2011-2012	20.7	25.58
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c. **CENTRAL SALES TAX @2%**

( ` in thousands)

Target: 83000  
Achievement: 100014

SOURCES: Exported items

a. Cardamom: 3196906  
b. Hides & Skins: 66958  
c. Admitted tax through Return Filing: 96750136

**PAST COLLECTIONS:**

( ` in crores)

YEAR	TARGET	COLLECTION
2005-06	3.00	7.30
2006-07	4.00	4.67
2007-08	4.00	5.99
2008-09	2.00	4.51
2009-10	2.00	7.66
2010-11	8.80	8.50
<b>2011-12</b>	<b>8.3</b>	<b>10.00</b>

d. **SIKKIM TAX ON PROFESSIONS, TRADE, CALLING AND EMPLOYMENT (as per slab rate maximum of `2,500/-per annum)**

( ` in thousands)

Target: 47500  
Achievement: 47096

SOURCE: As per the entries made in the Schedule of the Sikkim Tax on Professions, Trades, Callings and Employments Act, 2006

**PAST COLLECTIONS**

(in ` )

YEAR	TARGET	COLLECTION
2006-07	1,00,00,000	18,69,416
2007-08	2,00,00,000	85,00,000
2008-09	1,50,00,000	1,54,57,000
2009-10	1,75,00,000	2,13,31,000
2010-11	2,00,00,000	4,28,43,000
<b>2011-12</b>	<b>4,75,00,000</b>	<b>4,70,90,000</b>

**e. SIKKIM TRANSPORT INFRASTRUCTURE DEVELOPMENT FUND**

( ` in thousands)

Target: 80900

Achievement: 100895

SOURCES: Petroleum products like petrol and diesel @ Rs.3 and Rs.2.5 per liter respectively under the first Schedule (section 4) of the STIDF Act, 2004.

**PAST COLLECTIONS:**

( ` in crores)

YEAR	TARGET	COLLECTION
2005-06	3.00	00.58
2006-07	7.50	6.69
2007-08	7.50	8.50
2008-09	9.00	8.55
2009-10	8.55	9.06



2010-11	9.00	13.39
<b>2011-12</b>	<b>8.09</b>	<b>10.08</b>

**f. SIKKIM ECOLOGY FUND ENVIRONMENT CESS@0.5%,1% and 1.5%**

( ` in thousands)

Target: 180300  
Achievement: 186221

SOURCES: Dealers, manufacturers, state and Central Government Departments, PSUs, Autonomous bodies or other organizations whoever brings non-biodegradable items specified in Schedule II of the act in the state from outside/ Hotels, resorts, lodges, or motels on its annual turnover under section 5 of the Act.

**PAST COLLECTIONS:**

( ` in crores)

YEAR	TARGET	COLLECTION
2007-08	1.5	3.22
2008-09	4.20	7.97
2009-10	5.00	11.18
2010-11	6.5	15.72
<b>2011-12</b>	<b>18.03</b>	<b>18.62</b>

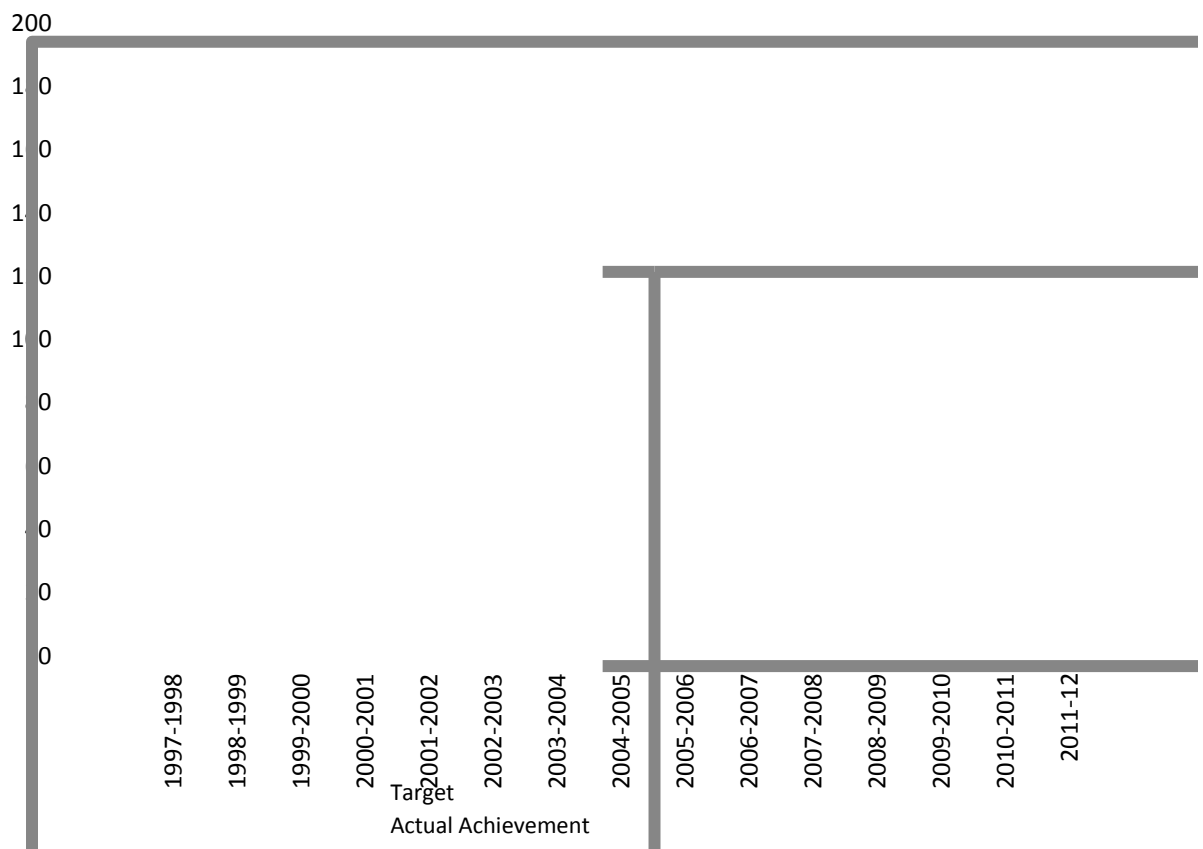
**COLLECTION OF REVENUE FOR THE LAST FIFTEEN YEARS**

( ` in crores)

Year	Target	Actual Achievement	Decrease(-) Increase(+)
1997-1998	24.86	21.77	-3.09

1998-1999	30.50	31.38	0.88
1999-2000	31.00	31.48	0.48
2000-2001	34.50	43.78	9.28
2001-2002	40.50	57.03	16.53
2002-2003	47.50	74.98	27.48
2003-2004	51.00	75.63	24.63
2004-2005	62.00	81.82	19.82
2005-2006	77.00	104.46	27.46
2006-2007	88.00	121.34	33.34
2007-2008	117.00	142.12	25.12
2008-2009	101.07	117.69	16.62
2009-2010	114.78	144.20	29.42
2010-2011	156.75	176.78	20.03
2011-2012	129.87	140.74	10.87

**Chart Showing Comparative Achievement  
(1997-98 to 2011-12)**



## VII. REPORTS FROM VARIOUS SECTIONS:

### A. ADMINISTRATIVE SECTION:

#### Training:

1. Advance Training in GST Policy and Administration was conducted by the Foundation for Public Economics & Policy Research, New Delhi from 9<sup>th</sup> May to 13<sup>th</sup> May, 2011. The following officers attended the training:

- i. Shri. Raju Dong, Deputy Commissioner
- ii. Smt Choden Gensapa, Assistant Commissioner
- iii. Shri Pranai Rai, Commercial Taxes Inspector
- iv. Ms. Usha Rani Pradhan, Commercial Taxes Inspector

**Transfer and Posting:**

The following officials were transferred from the Division to other departments:

- i. Smt.Vidya Subba,Joint Commissioner
- ii. Shri Manoj Rai,Deputy Commissioner
- iii. Shri P.D.Rai,Deputy Commissioner
- iv. Regular reshuffling of Check Post Staff as per notification no.116/IT&CT dt.24.02.2001 was made involving seven Assistant Inspectors and sixteen checkers.

**Amendment of Acts and Rules:**

- i. Amendment of the Sikkim Transport Infrastructure Development Fund Act,2004 relating to registration, assessment and appeal&rate of cess @ `3 per liter on petrol and ` 2.5 per liter on diesel.
- ii. Amendment of the Sikkim Transport Infrastructure Development Fund Rules relating to procedure for registration in Form II.
- iii. Amendment of the schedule of rates/revision of rates of Profession Tax duly incorporating the left out parties engaged in various types of business and profession.

**B. ACCOUNTS SECTION:**

**The Head wise budget provision and expenditure are as follows:**

(in `)

Details of Head and minor Head	Original Budget	Re-appropriation Budget	Final Grant Appropriation	Actual Expenditure
2020 00 105 00	4000000	410000	4410000	4406163
44-01 Salaries	100000	- 90000	10000	9660
	700000	-175000	525000	525576
11 T.E.	5600000	-261000	5339000	5338520
13 O.E.				
50 O.C.				
Total -	10400000	-116000	10284000	10279919
44 Head Office				
	3275000	25000	3300000	3299682
66-01 Salaries	30000	0	30000	30000
	155000	0	155000	154921
11 T.E.				
13 O.E.				
Total 66 Jorethang Sub-Div.	3460000	25000	3485000	3484603

(in `)

Details of major and minor head	Original budget	Re-appropriation budget	Final grant. Appropriation	Actual expenditure
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2040 00	101 00 44 - 01 salaries	23500000	-1465000	22035000	22033640
	11 T.E	350000	-113000	237000	250990
	13	3260000	-154000	3106000	3105187
O.E		350000	-35000	315000	317460
	14	5200000	-700000	4500000	4410947
RRT					
	50				
O.C					
TOTAL -44 HEAD OFFICE		32660000	-2467000	30193000	30118224
	66 01 salaries	4929000	51000	4980000	4978464
	11 T.E	130000	140000	270000	269845
	13 O.E	465000	425000	890000	890000
	14 RRT	530000	-360000	170000	169926
TOTAL 66 JORETHANG SUB-DIV.		6054000	256000	6310000	6308235
2040 00 101 81 00 81	Computerization of Commercial Taxes	26000000	0	24324000	24323355
TOTAL 81 Mission Mode Project(90:10) CSS		26000000	0	24324000	24323355
797 00 00 71	Transfer to Sikkim transport infrastructure development fund	95000000	0	95000000	95000000
TOTAL 2045 00 797 00 00-71		95000000	0	0	95000000

**C. COMPUTER SECTION:**

**Cheque Processing Software:**

During the Financial Year 2011-2012 the total Revenue collected was Rs. 1174408976/- (Rupees One Hundred Seventeen Crore Forty Four Lakhs Eight Thousand Nine Hundred Seventy Six only) through various Branches of Axis Bank, SISCO Bank and SBS through cheque deposits. The Break up Head Wise can be seen below

<b>Levy Type</b>	<b>Head</b>	<b>Amount</b>
Profession Tax	0028.107	12622105.00
CST	0040.101	90930395.00
LOCAL SALES TAX	0040.102	177203352.00
VAT	0040.110	610587741.00
STID CESS	0045.112.01	124483951.00
ENVIRO CESS	0045.112.02	158581432.00
		Total: 1174408976.00

#### **Cement Waybill Computerization**

Computer Cell, Commercial Taxes achieved a new milestone by computerizing issue of Cement Waybill. The Total contribution made to the revenue after the launch of Computerized Cement Waybill in the Financial Year 2011-12 was Rs. 4,82,48,989/- under VAT and Rs. 48,63,725 under Environment Cess.

#### **Official Website**

The official website of Commercial Taxes Division under the name [www.sikkimtax.gov.in](http://www.sikkimtax.gov.in) has been made operational from 6<sup>th</sup> of January 2012.

#### **Mission Mode Project**

As Envisaged in the Guidelines of the Mission Mode Project under National e-Governance Plan the Commercial Taxes Division, Govt. of Sikkim successfully launching the

online services through [www.sikkimtax.gov.in](http://www.sikkimtax.gov.in). Three types of services were mainly covered and they are as follows:

1. Government to Business Services
2. Government to Government Services
3. Government to Citizen Services

The Various online application launched are

1. E-Registration
2. E-Waybills
3. E-C Forms
4. E-Filling of Returns
5. SMS
6. HelpDesk

The other applications in the pipeline are

1. E-Payment
2. E-Notices
3. E-Grievances
4. E-Helpdesk

After the launch of the online services the existing dealers were migrated to new system through the process of re-registration and total of 3500 dealers were migrated to online system. Extensive and multiple training/capacity building were provided to familiarize Officers, Officials and dealers in large, to the new system all across the State.



**D. STATE INCOME TAX SECTION:**

Assessment and collection of state income tax under the Sikkim Income Tax Manual,1948 has been discontinued. However, collection of arrears till the financial year 2007-08 is being continued.