

## **INTRODUCTION**

This handbook has been prepared as per the requirements of and in accordance with the provisions of the Right to Information Act, 2005. Right to Information Act is an important legislation, which seeks to bring about increased transparency and accountability in administration.

This handbook contains 17 Manuals and provides information on a wide range of departmental functions, objectives and activities, duties and responsibilities of officers, the names and designations of Public Information Officer of Commercial Taxes Department of Bihar.

**(Section 4 (1) (b) (i))**

**(Manual-1)**

**(1) The particulars of its organization, Functions and Duties :-**

**(i) Objective/Purpose of the Public Authority:-**

The objective/purpose of the commercial taxes department of Bihar is to levy and collect revenue under Bihar VAT Act, 2005 Central Sales Tax Act, Bihar Entertainment Tax Act, Bihar Electricity Duty Act, Bihar Advertisement Tax Act, Bihar Tax on Luxuries and Hotels and Bihar Entry Tax Act.

**(ii) Brief history of the public Authority and context of its formation:-**

The Finance (Commercial Taxes) Department was formed on 1<sup>st</sup> may, 1944. Firstly, the administration of Bihar Agriculture Income Tax was transferred to this department from Board of Revenue. On 1<sup>st</sup> July 1944 the administration of Bihar Sales Tax Act, 1944 was also handed over to this department and now the Value Added Tax came into force on 01.04.2005. The Bihar Finance service cadre was formed to conduct this department. Deputy Commissioner Commercial Taxes cum Special Officer was head of the department. In December 1949 the post of the Head of the department was upgraded as Commissioner Commercial Taxes for the Indian Administrative Service Cadre.

Commercial Taxes Department is the most important fiscal arm of the government of Bihar as it generates the bulk of the state's own tax revenue.

**(iii) Duties of the public Authority :-**

The main duty of the authority of the Commercial Taxes Department is to ensure that the provisions of the Acts are implemented properly to ensure collection of revenue and prevention of tax evasion and loss of revenue.

**(iv) Main Activities/Functions of the public Authority :-**

The main functions of the authority of the department is to enforce the provisions of the following Acts and rules made thereunder :-

- (i) Bihar Finance Act, 1981 (up to 31.03.05)
- (ii) Bihar Value Added Tax, Act, 2005
- (iii) Central Sales Tax Act, 1956
- (iv) Bihar Entertainment Tax Act, 1948
- (v) Bihar Electricity Duty Act, 1948
- (vi) Bihar Entry Tax Act, 1993
- (vii) Bihar Advertisement Tax Act
- (viii) Bihar Hotel and Luxuries Tax Act, 1988.

**(v) The service provided by the Public Authority :-**

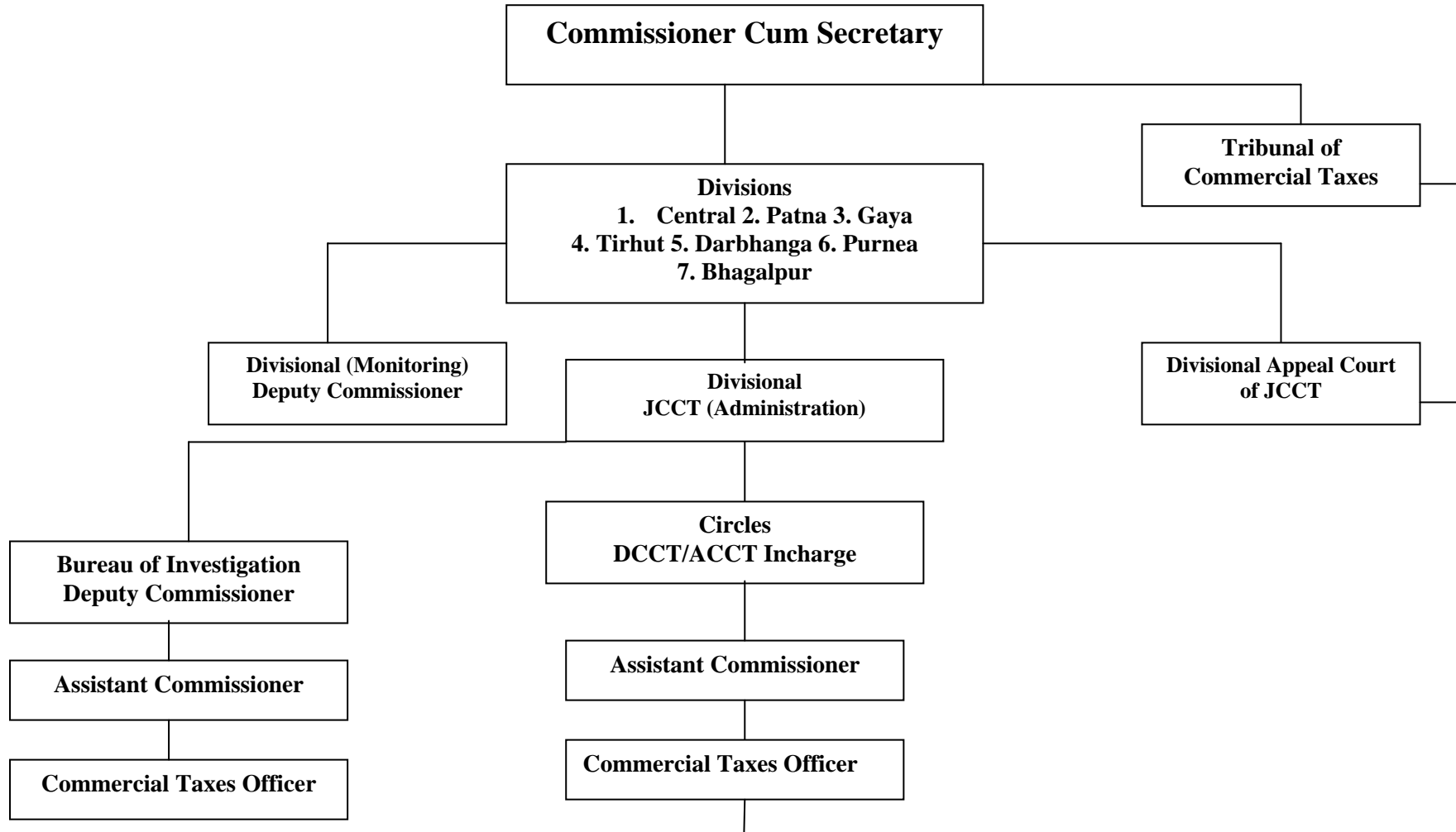
The Commercial Taxes Department is providing following services :-

- (a) Collection of Tax under various Acts.
- (b) Issue of Tax Payers Identification Number (TIN) under VAT Act, 2005
- (c) Issue of Statutory forms
- (d) Issue of Registration certificates under Acts
- (e) Issue of Tax clearance certificates;

**(vi) Organisational Structure:-**

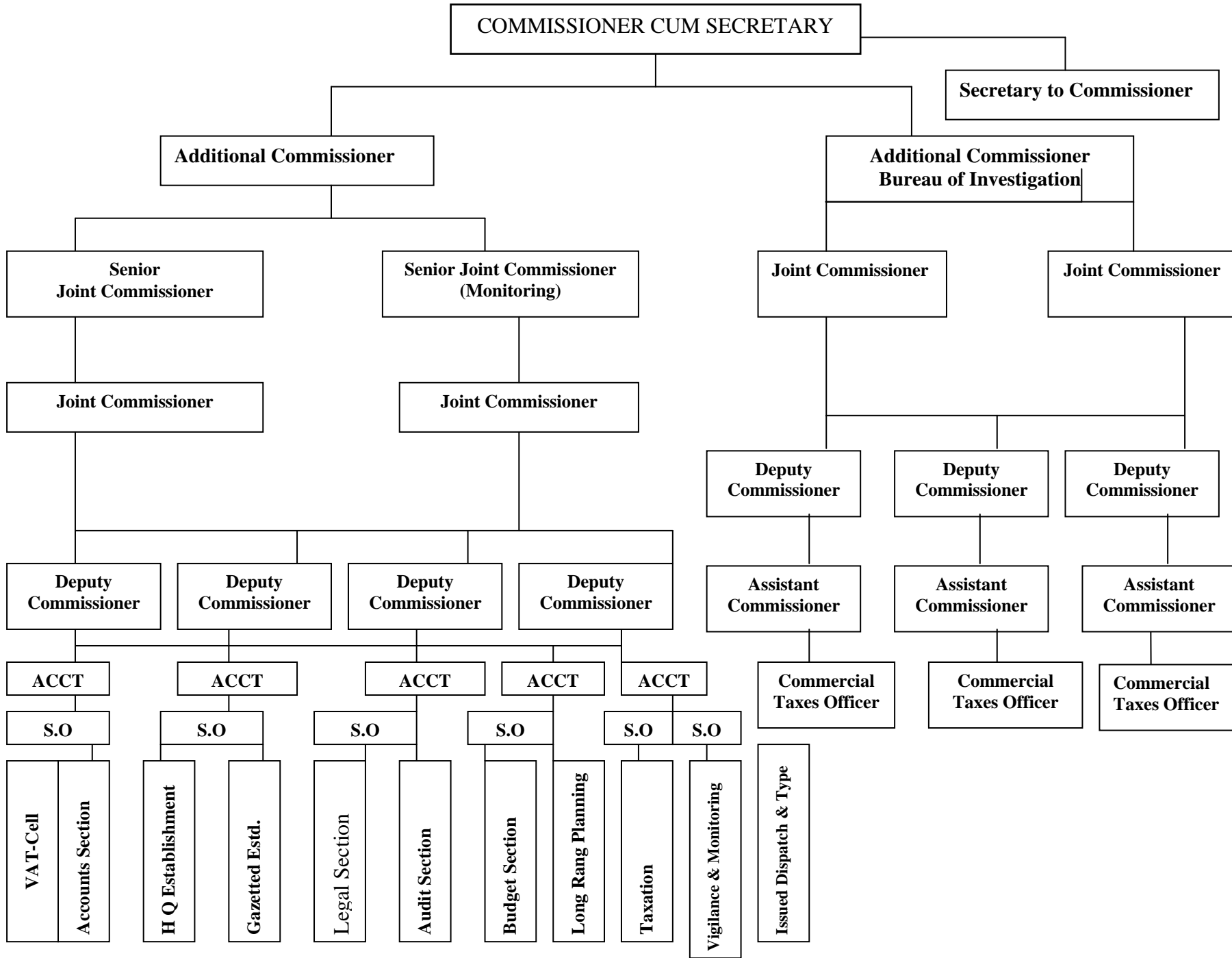
Organisation structure of the Department is enclosed herewith as Annexure -I & II.

**Annexure -II**  
**Government of Bihar Organisational Chart (Field Establishment)**  
**Commercial Taxes Department**



<b>Central Division :-</b>	1. Patna Special
<b>Patna Division :-</b>	1. Patliputra 2. Patna North 3. Patna South 4. Patna West 5. Patna City West 6. Patna City East 7. Danapur 8. Barh 9. Shahabad 10. Buxar
<b>Tirhut Division :-</b>	1. Muzaffarpur 2. Hajipur 3. Saran 4. Siwan 5. Gopalganj 6. Bettiah 7. Sitamarhi 8. Motihari/Champaran 9. Raxaul 10. Bagaha
<b>Gaya Division :-</b>	1. Gaya 2. Aurangabad 3. Sasaram 4. Biharsharif 5. Nawadah 6. Jenahabad 7. Bhabhua
<b>Darbhanga Division :-</b>	1. Darbhanga 2. Begusarai 3. Madhubani 4. Samastipur 5. Jhanjharpur 6. Teghara 7. Dalsingsarai
<b>Purnea Division :-</b>	1. Purnea 2. Saharsa 3. Madhepur 4. Forbishganj 5. Kishanganj 6. Katihar 7. Khagaria
<b>Bhagalpur Division :-</b>	1. Bhagalpur 2. Lakhisarai 3. Munger 4. Jamui

# Annexure -I



**(vii) Expectation from public for enhancing effectiveness and efficiency:-**

Expectation of Department from dealers and general public are as under:-

- The Department expects that every citizen should pay tax at the time of purchasing of goods and insist on obtaining bill from the seller.
- Collecting Bill at the time of purchase should be made as habit to contribute in making Bihar as a developed State.
- Prompt payment of tax and discloser of financial transactions.
- Every dealer should issue Bill to customers, collect tax and deposit it with the Department.
- We trust you and you trust us.

**(viii) The address of the main office : -**

Vikas Bhawan, Ground Floor, Patna.

**(ix) Office House:-**

10 A.M. to 5 P.M.

## **Chapter – 4 (Manual – 3)**

### **[Section – 4(1) (b) (III)]**

#### **Procedure followed in the Decision Making Process:-**

#### **In the department, the public authorities take decision mainly on the following matters:-**

- (a) Registering as a dealer by the Incharge of Circle under the different Acts of the Department.
- (b) De-registering a registered dealer either on application from the dealer or suo-moto by the incharge of the circle.
- (c) Collection and Recovery of Taxes.
- (d) Refunds to the dealer, of the amount of tax, penalty, interest collected in excess of the liability.
- (e) The receipt of returns filed by the assessee.
- (f) The scrutiny of the returns.
- (g) Assessing the tax liability of the dealer according to the provisions of the Act;
- (h) Imposition of penalty and levy of interest wherever applicable.
- (i) Conducting the audit of the business affairs. Wherever found appropriate;
- (j) Hearing of appeals filed by the dealers before the first Appellate Authorities.

The decisions are taken by public authorities in Quasijudicial capacity and the procedures, criteria and Rules are documented, defined and laid down in the following;

- (a) The Bihar Value Added Tax Act, 2005
- (b) The Bihar Value Added Tax Rules, 2005
- (c) The Central Sales Tax Act, 1956 and the Rule framed thereunder;
- (d) The Bihar Entertainment Tax Act, 1948 and the Rules framed thereunder;
- (e) The Bihar Electricity Duty Act, 1948 and the Rules framed thereunder;

- (f) The Bihar Hotel and Luxuries Tax Act, 1988 and the Rules framed thereunder;
- (g) The Bihar Advertisement Tax Act and the Rules framed thereunder;
- (h) The Bihar Entry Tax Act, 1993 and the Rules framed thereunder;
- (i) The Circulars, orders and notification issued by the Commissioner Commercial Taxes from time to time.