

APS RTC

No B&F/FI/409(8)/95-96/FD

O/o the VC & MD
Mushirabad Hyderabad
Dated 07 Sep 96

JOINT ACCOUNTS AND OPERATIONS CIRCULAR No 9/96

Sub M V TAXES Change in the method of payment Prescribing the accountal procedure Reg

- Ref 1) GO Ms No 131 dated 02 08 95
2) Cir No 67/95 OPD(P) dated 18 09 95
3) Accounts Cir No 9/95 dated 06 11 95

The basic of levying M V Tax has been modified w e f 02 08 95 In respect of APSRTC the earlier slab system (i e) levying M V Tax at certain rates per seat per quarter has been replaced with a system of levying tax as a percentage of gross traffic revenue from 02 08 95 The rate of tax payable was 13% of Traffic Revenue from 02 08 95 to 12 01 96 and 15% Traffic Revenue from 13 01 96 onwards

In view of this change in the system of levying of M V Tax a need has arisen to modify the existing system of accounting the revenue realised to arrive the correct amount of taxable traffic revenue With this view in supersession of all earlier instructions following instructions are issued regarding accountal of traffic earnings and payment of M V Tax on the basis of percentage of gross traffic revenue

1 REVENUE REALISED FROM OPERATION OF INTER STATE SERVICES ON DOUBLE POINT TAX

Corporation is operating many services on Inter State routes by paying Double Point Tax The revenue realised in respect of these services is to be bifurcated into -

- a) earnings realised on the portion of the route within our State
- b) earnings realised on the portion of the route outside our State

Earnings realised on the portion of the route falling within other States shall not be accounted in gross traffic revenue on which M V Tax has to be paid to State Government of A P The same shall be allocated to new AH 8532 in the TRR to have & separate account And the earnings realised on the portion within the State in respect of these services shall be accounted as usual under AH 8501 The break up of earnings realised on the inter state routes shall be given as an Annexure to CR Note by the DC (E) for the purpose of separate accountal in TRR

2 INCENTIVE PAID TO CONDUCTORS

The spot and monthly incentive payable to Conductors on earnings parameter should be shown separately under new AH 4662 However, incentive earned by

Conductors on cancellation parameter shall be shown under existing AH 4659 as usual

3 INCENTIVE PAID TO DRIVERS

The spot and monthly incentive payable to Drivers on earnings parameter should be accounted under AH 4562 as is being done in the case of Conductors However incentive paid on other parameters be allocated to the existing AH 4559 as usual

4 ADVANCE RESERVATION CHARGES BEING BOOKED UNDER AH 8540

It is decided to delete the revenue realised under this AH i e Reservation Charges collected from the passengers either at Corporation Counters or from private agents from traffic revenue for the purpose of arriving at gross traffic revenue on which M V Tax has to be paid

5 FINES COLLECTED BY MOBILE COURTS BOOKED UNDER AH 8546

The amounts collected by way of fines imposed by the Mobile Courts be deleted from Traffic Revenue for the purpose of arriving at gross traffic revenue on which M V Tax has to be paid

6 FINES PAID UNDER M V ACT

Amounts paid towards M V fines now being booked to AH 7314 shall be deleted from gross traffic revenue to arrive at taxable revenue

7 PROVISION FORM M V TAX IN THE MONTHLY ACCOUNTS

From the above it is clear that to assess the gross traffic revenue taxable under M V Taxation Act the amounts under items 1 to 6 enumerated above shall be deducted from the net transactions of the month under groups 85 and 86 of the Accounts classification and the M V Tax be calculated at 15% on the balance traffic revenue and debited to AH 6401 duly crediting to AH 1125 (new head of account), provision for M V Tax passenger vehicles by the Regional Accounts Wing every month

However balances under AH shown against item Nos 1 to 6 above shall be allowed to remain under the respective AHs only The assessment of Taxable revenue shall be made outside the accounts as explained above

8 No provision towards M V Tax shall be made at Depots

9 It is also to mention that no tax is payable at the Regional level in respect of vehicles other than those relating to inter-state routes (double point tax)

10 Quarterly tax paid by Head Office be debited to AH 2020

11 The amount booked to AH 1125 provision towards M V Tax at Regional level shall be carried in the accounts during the year and shall be dropped at the end of the year

12 TAX PAYABLE TO OTHER STATES ON INTER STATE ROUTES ON DOUBLE POINT TAX

The Tax payable to other States shall be arranged at Regional level The payment shall be allocated to AH 2022 (prepaid M V Tax to other States) The proportionate amount has to be cleared from AH 2022 every month by debiting to AH 6402 (M V Taxes other State Tax on passenger vehicles)

13 TAX PAYMENT ON DGTs AND OTHER DEPARTMENTAL VEHICLES

The Tax payment on DGTs and other Departmental vehicles shall be arranged at Head Office quarterly The payment has to be allocated to AH 2023 (prepaid M V Tax on DGTs / Departmental Vehicles) at Head Office and transferred immediately to the respective Regional Offices based on the Region-wise figures furnished by Asst Traffic Manager (Planning) by means of debit advice While accepting the debit advice the Regional Office shall debit the amount to AH 2023 and credit IDT Head Proportionate amount shall be cleared from AH 2023 every month by debiting AH 6839 (MV Tax on Departmental Vehicles)

14 The above instructions shall be deemed to have come into force from April 1996 The MV Tax expenditure and provision booked in the Accounts for April 1996 to July 1996 have to be reviewed with reference to the above guidelines in respect of calculation as well as account heads to be operated and necessary adjustments be carried out in the accounts for Aug 96

15 The receipt of this Circular may be acknowledged

Sd/ (G Somasekhara Rao)
FINANCIAL ADVISER

Sd/ (J Radha Krishna Reddy)
EXECUTIVE DIRECTOR (O)