

## DEPARTMENT OF STATE TAXES, NAGALAND

### VISION 2030: To provide stable revenue to the State

The State Taxes Department is the highest revenue earning department in the state. The department collected Rs 698.57 crores during 2018-19 as against the overall revenue collection of Rs 513.94 crores during 2017-18 registering an increased collection by Rs 184.63 crores. Thus, the department collected 98.24% of the overall State Own Tax Revenue Target of Rs 711.05 crores (RE) during the financial year 2018-19.

The Department functions under the administrative control of the Finance Department, Nagaland. It administers and collects sales taxes revenue under the Nagaland Value Added Tax Act, 2005, The Central Tax Act, 1956, Five Petroleum products under the Nagaland Sales of Petroleum Taxation Act, The Nagaland Professions, Trades, Calling and Employment Taxation Act, 1968 and The Nagaland Goods and Service Tax Act, 2017.

The department's **vision** is to provide stable revenue to the Govt. for developmental and other welfare activities in the state. The department **aims** to achieve this vision by evolving a tax system that promotes and facilitates "Ease of Doing Business" in the state and induces voluntary tax compliance by the stakeholders.

The department's **mission** is to collect Rs2400 Plus Cr. revenue by 2030. The overall revenue collection figures for the last 5 (Five) years (in lakhs) is reproduced as under;

Year	Revenue collection	Increased in amount over last year's	Increased in % over last year's	CAGR over the last 5 (five) years
2018-19	<b>69857.9</b>	<b>18463.12</b>	<b>35.92</b>	<b>16.91%</b>
2017-18	<b>51394.78</b>	7827.49	17.97	
2016-17	<b>43567.29</b>	6847.72	18.65	
2015-16	<b>36719.57</b>	4218.14	12.98	
2014-15	<b>32501.43</b>	4593.19	16.46	
Total	234041	41949.66		

### Action plan for 2021-2025: Mission Rs1400 plus Cr.:

The department aims to collect Rs1400 plus crores by 2025. Towards this end, the department has adopted the following action plan and strategies to vigorously implement it during the said period;-

#### 1. Special focus on the following core functions;

- a. **Registration** of all liable dealers under all Acts through special registration drives

- b. Timely filing of **Returns**
  - c. Timely **payment** of tax
  - d. Timely **Refund** processing
  - e. **Assessment**-Provisional assessment, Scrutiny of returns, assessment of non-filers of return, assessment of unregistered persons and summary assessment in certain cases
  - f. **Audit** and Special Audit
  - g. **Inspection**, Search, Seizure and Arrest.
  - h. **Demand and Recovery** of arrears
  - i. **Appeal**
  - j. **Advance Rulings**
  - k. **Revisions** where circumstances so warrants.
  - l. **Information-based Enforcement action**- Create Enforcement Wing in all Zonal offices. Based on business intelligence and Analytics inputs initiate necessary investigation and conduct search and seizure.
- 2. Measures to stimulate and induce voluntary tax compliance (Motivation and Capacity building program):**
- a. Conduct GST Awareness and Sensitization Programs at regular interval;
  - b. Conduct periodic workshops and Training to build the capacity of the various stakeholders- Taxpayers, DDOs and Accounts officers of the State and Central Govt. departments including the Tax officials;
  - c. Field visits to educate, hand-hold and assist on the spot for registration, filing of return and payment of taxes to potential and new taxpayers;
  - d. Regular GST advertisement in the local dailies for wide dissemination and publicity;
  - e. Dealers' Facilitation Centres in the District Tax offices to assist and hand-hold the stakeholders;
  - f. GST helpdesk with Mobile number and mail id to facilitate the stakeholders for queries or assistance.
- 3. Strategies to enforce compliance by all stakeholders:**
- a. Ensure display of the GSTIN prominently in all the place of business by enforcing penal provisions under the Acts and Rules
  - b. Ensure maintenance and issuance of proper invoices by all taxable person by enforcing relevant penal provisions including arrest under the Act.
  - c. Timely e-mail, SMS etc., alerts for filing of returns and payment of taxes on time

- d. Cross-verification and matching of data- Regular cross-verification and matching of GSTR-3B data with normal GST Returns data, TDS transactions records, e-Way bill and Monthly IGST Fund Settlement data.
- e. Ease compliance burden of the stakeholders- Strive to facilitate in formulating simple Tax Laws, Structures and Procedures for filing of Return, processing of Refund etc., and better services delivery and minimize the scope for litigation.

**4. Structural and functional reforms measures:**

- a. Restructure the organisational set up on administrative and functional lines for effective and efficient overall administration and functioning of the department. It will create Central Enforcement Team (CenForce) and Enforcement Team (ZonForce) each in all the Zones offices for effective information-based enforcement action. Dimapur Zone will be divided into two Zones for better administration and enforcement.
- b. The department will actively pursues the proposal for Cadre Review (as mandated by GST Law) to meet the requirement of law and time. The proposal is already placed before the Govt. for early consideration;
- c. Information technology is the backbone of GST. The department urgently requires state-of-the-art IT system with the proper infrastructure for better administration and to facilitate the various challenges faced by the dealers and Tax officials.

To leverage the various solutions offer by information technology and communication tools, the department will sincerely strive to develop a dedicated robust IT Cell to be manned by technically qualified persons like domain experts, networks administrators, system administrators, data analysts etc. The IT team shall mine, extract and analyse all the bulk dump data (SFTP Files) received from the GSTN and develop necessary software and various MIS Report for use by the tax authorities. Skilled and dedicated technical personals under the roof of a dedicated IT team will go a long way in achieving the vision of the department

The department's web site is currently hosted at NIC, Karnataka with no Disaster Recovery site in place. The department plans to have its own data Centre and disaster recovery site and host the website on its own.

IT Cell will develop necessary Business Intelligence and Analytics Tools to detect and prevent evasion and avoidance of tax and to enable the department to conduct information-based enforcement action.

- d.** At present the department administers and collects professions Tax manually. But for better administration and collection of professions tax to facilitate better compliance by all stakeholders, the department shall develop application software and computerise the entire interface mandatorily online. It will enable the citizens to register in the online environment. It will also enable the stakeholders to file return and make payment online hassle-free. It will also help the department to monitor for better tax compliance and administration. The department shall also integrate the application software with the PIMS of the state for compliance by all concerned.
- e.** Develop basic minimum State-of-the-art office infrastructure to house the Data Centre, well-equipped office and modern Library, Commissioner's Conference Hall and other minimum basic amenities for the officers and staff to facilitate better performance and optimal productivity of the department. The process for land acquisition for a new infrastructure is under process to this effect.

COMMISSIONER OF STATE TAXES

NAGALAND; DIMAPUR