



GOVERNMENT OF MAHARASHTRA

REPORT
OF THE
STUDY GROUP ON OCTROI.



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REPORT OF THE STUDY GROUP ON OCTROI

MINISTER FOR FINANCE, LAW AND
JUDICIARY

GOVERNMENT OF MAHARASHTRA
Malaya, Bombay-32

26th June 1970

I have pleasure in submitting the report of the Study Group on Octroi appointed by the Government of Maharashtra. Octroi has been a subject matter of deliberations of many committees and Commissions for the last nearly 50 years and although almost all the Committees were in agreement that the Octroi is an obnoxious tax, none but one suggested in specific terms the abolition of that tax. Octroi being a lucrative and expanding source of revenue for the local bodies the question of its replacement by another tax almost defied a solution. It was only the Road Transport Taxation Enquiry Committee, 1965 which suggested for the first time the abolition of Octroi altogether and also suggested some alternative taxes.

The Study Group had come to a very early decision on the need for abolition of Octroi. It was, however, the question of suggesting an alternative tax which would be as broad based, lucrative, expanding as and free from the defects and draw-backs of Octroi that took the attention, deliberations and time of the Study Group. In its anxiety to find an amicable solution, the Study Group consulted the representatives of Industry and Commerce and it was only after a very careful consideration of their views that the Group came to the conclusion that a Multi-point Turnover Tax at a flat rate would only provide the best alternative resource on abolition of Octroi.

I hope the recommendations of the Study Group will merit consideration by the Government of Maharashtra and other Governments will also find this report a useful document.

S. K. WANKHEDE.

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