

FINANCE DEPARTMENT
PRESS BRIEF
ABOLITION OF INTER-STATE BORDER CHECK GATES
WITH EFFECT FROM 1ST APRIL, 2017

1. The State Government have decided that all border unified inter-state check gates except Nalda shall be abolished with effect from 1st April, 2017. As regards Nalda border check gate, it will be operated by the Steel and Mines Department only for the purpose of minerals.
2. The check gates are established under section 16-A (1) of the Odisha Sales Tax Act, 1947 by the State Government. Subsequently, under section 74(1) of Odisha Value Added Tax Act, 2004, check gates are functioning with a view to prevent or check avoidance or evasion of tax. Thus the primary objective of setting up of check gate is to prevent or check avoidance or evasion of tax and not that of collection of tax.
3. Apart from Commercial Tax Organisation, other Departments such as Transport, Forest and Excise etc. also use the unified check gates for enforcement purpose. However, representations have been received from different quarters that these check gates pose difficulties for movement of passenger and goods vehicles creating traffic jam. Allegations are also received from time to time regarding corrupt practices and harassment involving some outside elements at these check gates.
4. There has been a paradigm shift in administering taxes with the introduction of VAT in 2005 as compared to Sales Tax regime. With computerisation, all types of statutory forms like Way bills, C- Forms etc. are issued online. E-Way Bills are prefilled way bills and the transactions through e-way bills are captured online in the VATIS and

thus the information is available to the Commercial Tax Organisation and can be cross checked with the return in the system itself.

5. Moreover, there has been huge development in road communications. Roads have been constructed and by-passes have been created. A trucker, if he wants, can avoid the check gates and come into the states or go out using the many alternative routes available. With so many different routes available, a limited number of check gates on specified routes are rendered less effective in terms of detecting and preventing tax evasion.
6. With the technological changes, the mode of enforcement of various laws needs to be changed. The risk-weighted systems are now in vogue. Therefore the system of present static check gates checking every vehicle appears to have outlived its utility.
7. Further, under the proposed GST regime establishment of check gate or barrier is not envisaged.
8. After abolition of check gates, mobile enforcement using modern tools and devices will be adopted by various Departments. Man power presently deployed by various Departments at check gates will be used for mobile enforcement using modern methodology.
9. The abolition of border check gates will promote “Ease of Doing Business” and Tourism of the state. It will save time, fuel and facilitate transportation of goods and raw materials.