

#Introduction:

Against the backdrop of huge public outcry against unabated and illegal taxations by Naga political groups (NPGs Or Undergrounds/Naga rebels/Naga armed revolutionary groups, etc) and government agencies, an emergency public meeting of Dimapur-based civil society, business community, student and youth organisations, most notably Naga Council, Naga Women Hoho Dimapur (NWHHD), Dimapur Chamber of Commerce and Industries (DCCI), East Dimapur Business Association (EDBA), Chumukedima Chamber of Commerce & Industries (CCCI), DNSU, YAN, GB Union (Sadar), Dimapur Urban Council Chairmen Federation (DUCCF), Dimapur District Consumer Society (DDSC) & Senior Citizen's Forum was held under the aegis of Naga Council on 27th May, 2013. On the strength of this public meeting, a committee was formed known as Action Committee Against Unabated Taxation (ACAUT) - later on changed to Against Corruption and Unabated taxation with the acronym remaining the same- to pursue the taxation issue. ACAUT in its meeting also resolved to constitute a Fact-finding Committee to study tax levied by NPGs and government agencies in the market and check gates and also find out the price of commodities in other states and submit its report accordingly.

The FFC members to the best of their ability interviewed a large cross section of the business community in Dimapur to unearth the reasons for the artificial price rise in the market. FFC members also travelled to Jorhat, Assam and interacted with *Upper Assam Chamber of Commerce: Jorhat* with a view to compare prices of commodities in Dimapur and Jorhat. During the course of our interaction, the committee came across rampant, illegal taxations on every conceivable commodity ranging from hardware goods and essential commodities to pan patta (betel leaf) by groups such as NSCN (IM), NSCN (K), GPRN/NSCN, FGN and government agencies like DMC, Police, Excise, Motor Vehicle Enforcement (MVE) under DTO and state Veterinary department. The collections by assorted "welfare unions and associations" have only made matters worse. It was also found that the Karbi militant group, UPDS, is collecting tax in Dimapur to finance its activities in Assam.

FFC also found out that the NPGs and government agencies impose arbitrary taxations on all items multiple number of times. For instance,

1. At *New Field Check Gate (Nagaland-Assam border)* every MS rod & Cement laden truck shells out approx. Rs. 25,000 (twenty-five thousand) and Rs. 15,000 (fifteen thousand) respectively to *NSCN (IM), NSCN (K), GPRN/NSCN, FGN, police, Excise, DMC, Motor Vehicle Enforcement under RTO, and traffic police*.
2. At *Railway station*, cement tax to the aforementioned organisations works out to Rs. 8, 13, 000/- (eight lakhs thirteen thousand) per rail trip.
3. *Godown Tax*: Thereafter, the mentioned items along with other hardware goods are taxed again at the respective godowns under "*Godown Tax*", which is anywhere up to Rs. 70,000/- (seventy thousand).
4. *Yearly Tax*: Again, the hardware dealer shells out another Rs. 20,000-30,000 per annum as "*Yearly Tax*" since he has a shop or establishment.

Thus, every item is imposed tax multiple number of times in Dimapur and elsewhere. These illegal taxations are the primary reasons for price rise in the state. FFC found out that not less than 100-150 goods laden trucks enter Dimapur everyday through New Field

Check Gate and Dillai Gate- all subject to taxation. Hence, it is the considered opinion of FFC that the amount exchanged at the gates is colossal, between Rs. 10, 00, 000/- (ten lakhs) to Rs. 30, 00, 000/- (thirty lakhs) everyday or Rs.3-9 Cr in a month or Rs. 36-108 Cr in a year.

FFC also found out that NPGs have initiated a “dealership” system on almost all the items, such as, pan patta, rice, second-hand clothes, vegetables, fish, poultry, transport or goods carrier, Chinese mobile phones, pressure cookers, Moreh goods, etc., which is affecting every section of society, especially low-income families. Under such a system, only the dealer is allowed to import/distribute/sell the particular item for which dealership amount is paid to the NPGs and protection given. Therefore, in order to sell his goods, a trader has to pay dealership fees to the “dealer.” This system curbs the concept of free trade and monopolizes pricing for the benefit of a few besides exposing consumers to random pricing. For instance, poultry trade in Dimapur is controlled by a poultry syndicate comprising mostly of illegal Bangladeshi immigrants (IBIs) who in connivance with UGs virtually control the import of poultry from outside the state. Naga poultry farmers are unable to compete with these syndicates and have been virtually shunted out of business as *Dimapur Poultry Farmers’ Association* testified in the local papers. Thus, poultry prices in Dimapur are much higher than in neighbouring Assam. *Therefore, in the interest of both public and Naga poultry farmers, ACAUT has already banned the sale of all kinds of poultry birds in the market until such time the poultry syndicate is abolished by NPGs and pricing comes down on par with neighbouring places in Assam.*

In Jorhat, the FFC gained a very important insight. Unlike DMC, the *Jorhat Municipal Board* does not levy tax on any form of goods entering its jurisdiction whereas the *Nagaland Municipal Act 2001* has empowered DMC to do so. It’s another matter that DMC levies tax even on intra-state entry of commodities inside its jurisdiction. Where DMC may levy tax should be sanitation fees, trade license and property tax. *Upper Assam Chamber of Commerce: Jorhat also revealed that trade license fees under Jorhat Municipal Board does not exceed Rs. 2000-3000 whereas under DMC, average trade license fee is Rs. 3600, Rs. 7500/- for wholesalers and Rs. 15,000/- for shopping malls.* If municipal bodies in other states can manage its offices without resorting to levying tax on entry of goods, so can DMC. There’re approximately 10,000 shops/establishments under DMC paying annual trade license fees and the amount collected is colossal. Also, DMC receives crores of rupees from GOI for infrastructure development and therefore is under no constrain to levy tax. *According to CAG, in 2009-10, it received Rs. 4.31 Cr and in 2010-11, Rs. 8.27 Cr.* So the obvious question is, where’re all the funds since Dimapurians are not witness to any developmental nor any beautification works except the construction of slaughter house? Instead of streamlining DMC, the Urban Development department is again in the process of finalizing the list out of 35 names who’ ll be given charge of DMC toll gates and other ways and means to engage in unfair trade practices. Needless to point out, such a political exercise would lead to no holds barred collection spree escalating the prices of goods further.

#Chart revealing illegal taxation by various organisations:

1. TAXATION ON SECOND-HAND CLOTHES

Organisation	Description	Amount (in Rs)
NSCN (IM)	1 bale	200/-

GPRN/NSCN	1 bale	150/-
FGN	1 bale	100/-
NSCN(IM)	House tax	200/-
NSCN(IM)	Godown tax (yearly)	30,000/-
NSCN(IM)	Shop tax (yearly)	5,000/- to 15,000/-
DMC	3 small bales	120/-
DMC	Per bale (large)	90/-
DMC	Footpath tax (monthly)	100/-

Note: Hundreds of bales are opened every week. Second hand clothes were once very popular among the Nagas, more so amongst the poor because it is cheap and value for money. However, due to multiple taxations it is now no longer affordable for low-income families. Presently, the price of second hand clothes is almost the same as new clothes.

2. TAXATION AT DMC TOLL GATE: BURMA CAMP

Item	Description	Amount (in Rs)
Filled LPG tanker (from 7 th mile IOC depot)	Per truck	350/-
Stone chips	Per auto (carrier)	50/-
Sand gravel	Per truck	150/-
Empty truck		50/-
Passengerless auto		10/-

Note: Upon spot verification by Fact Finding Committee of ACAUT, many discrepancies and loopholes were detected. Many a times money is collected by collectors without issuing challans. The Committee also found that even empty commercial vehicles entering DMC jurisdiction had to pay toll tax. Not surprisingly, the committee detected an LPG tanker (refilling at 7th Mile IOC depot) shelling out Rs. 350/- at the toll gate which is clearly illegal under Nagaland Municipal Act 2001. Also, any form of taxations on petroleum/LPG tankers is illegal throughout the country.

3. TAX ON BETEL LEAF (PAN PATTI)

Organisation	Description	Amount (in Rs)
NSCN(IM)	1 basket(60 bundle)	1,300/-
GPRN/NSCN	“	1,300/-
FGN	“	500/-
DMC	“	100/-
NSCN(IM)	Godown (yearly)	6,000/-
NSCN(IM)	Trade license (for shop)	400/- to 600/-

Note: Pan which is commonly consumed in Nagaland is imported from Andhra Pradesh, Odisha, Meghalaya, Assam and West Bengal; the leaf being Bangla Patta, Mitha Patta and Khashi Patta. Normally, the price of betel leaf is not more than Rs.200 - Rs.230 for 1(one)

bundle (100 leafs) in retail but after the imposition of Dealership/Syndicate system by an Underground group and its agent Abdul Hasim, the price of 1 bundle shot up to Rs.400 and above. Therefore, traders at one point of time stopped the import of pan patta since taxation amount was over and above import cost. It is worth mentioning that after ACAUT raised its voice against unabated taxation, Abdul Hasim was arrested by the police- now released on bail. Since then, the price has come down to normal.

4. TAX ON PHARMACIST AND DRUGGIST

Organisation	Description	Amount (in Rs)
NSCN(IM)	Wholesaler (yearly)	30,000/- to 50,000/-
GPRN/NSCN	Wholesaler (yearly)	30,000/- to 50,000/-
NSCN(IM)	Retail shop(yearly)	10,000/- to 25,000/-
GPRN/NSCN	Retail shop(yearly)	10,000/- to 25,000/-

Note: Even medicine which is a life saving commodity is not spared from illegal & multiple taxations. Medicine laden trucks are taxed at the gate in bulk, then again at the transport/goods carrier godown under godown tax which is per carton. Thereafter, the wholesaler pays the usual tax and finally the retailer pays another. This multiple taxations eats into the profit margin and unlike other commodities where pricing can be hiked depending on demand and supply, medicine cannot be sold beyond MRP. Very importantly, a very cheap life saving drug costing Rs.10 for heart patients is unavailable in Nagaland since suppliers are unwilling to bring cheap medicines as the profit margin (after taxation) is negligible in cheap medicines. To make matters worse, UG groups even levy “Fridge Tax” on certain drugs kept in refrigerators under certain temperatures.

5. TAX ON TRANSPORT COMPANIES

i) Entry tax at New Field Check Gate & Dillai Gate

Organisation	Description	Amount (in Rs)
Police	Soft drinks and milk	6 wheel - Rs.200/- & 10 wheel - Rs.450/-
Excise	“	Rs.100/- (Per truck)
Sales tax (this is a legal tax not to be clubbed with illegal taxation)	“	Rs.200/- (Per truck)
DMC	All types of goods	6w - 350/- & 10w - 550/-
MVE under DTO*	Per truck	500/- to 1500/-
Traffic	Per truck	Subject to negotiation
NSCN(IM)	Mix goods	6w-5,000/- & 10w - 10,000/-
“	Milk/Maggie/chocolate	6w - 9,000/- & 10w - 11,000/-
“	Soft drinks	7,000/- (Per truck)
“	Hardware (iron/marble)	10,500/- (Per truck)
“	Gate Pass	300/- (Per truck)
GPRN/NSCN		6w - 4000/- & 10w - 8000/-

“	Gate pass	250/- (Per truck)
FGN	Per truck	1,250/- (Per truck)
Police	9 mobile patrol units	Collection everyday

ii) Godown Tax on Transport Companies

Organisation	Description	Amount (in Rs)
NSCN(IM)	Per carton (readymade product)	150/-
GPRN/NSCN	“	150/-
FGN	“	100/-

iii) Yearly Tax on Transport companies

Organisation	Description	Amount (in Rs)
NSCN(IM)	Per truck yearly tax	6w - 8,000/- & 10w - 15,000/-
GPRN/NSCN	“	6w - 7,000/- & 10w- 10,000/-
FGN	“	6w - 5,000/- & 10w - 7,000/-
NSCN (IM)	Registration fee of Vehicles taxed separately	

Note: Road transport is the life line of Nagaland since almost everything is brought from outside and it is here that every organisation from police to different UG factions, from municipal council to various “welfare unions” collects taxes. Guwahati- Johrat and Guwahati/-Dimapur distance is roughly the same but transport operators face a harrowing time at Nagaland-Assam border gate as each truck pays an additional Rs 10,000/- (over and above the tax amount paid for the goods) just to cross the border into Dimapur. This is why many transporters prefer to unload their goods at Lahorijan, Assam, just 1 km away from Dimapur. Trucks entering Nagaland one time (to unload goods) are too made to pay yearly tax and as a result Transport companies are slowly shifting to Lahorijan at the cost of Dimapur.

*MVE is Motor Vehicle Enforcement under District Transport Office (DTO)

6. TAX ON HARDWARE ITEMS

i) Tax on MS Rod at New Field Check Gate & Dillai Gate

Organisation	Description	Amount (in Rs)
Police	MS rod (per truck)	>500/-

Sales tax (this is a legal tax not to be clubbed with illegal taxation)	“	200/-
Excise	“	100/-
DMC	“	350/-
MVE under DTO	“	500/-
Traffic	“	100/- to 200/-
NSCN(IM)	“	6w-7,500/- & 10/12w-10,500/-
GPRN/NSCN	“	6w-4,000/- & 10/12w-8,000/-
FGN	“	1,500/-
Gate Pass Association	Per truck	700/-

Note: the so-called Gate Pass Association is ridiculous and is another instance of both district administration & Labour department turning a blind eye to fly-by-night organisations extorting money at the expense of traders and public. There're nearly hundreds of vested-interest organisations operating under the garb of “welfare organisations” extorting money from the traders which is clearly illegal and causing price rise.

ii) Tax on Cement at New Field Check Gate & Dillai Gate

Organisation	Description	Amount (in Rs)
NSCN(IM)	Per truck	6w-3,500/- 10/12wheel- Rs.4,500/-
GPRN/NSCN	Per truck	6w-3,000/- 10/12wheel-Rs. 4,000/-
FGN	Per truck	1,000/-
Police	Per truck	Not below 500/-
Sales tax (this is a legal tax not to be clubbed with illegal taxation)	Per truck	200/-
Excise	Per truck	100/-
DMC	Per truck	6w-1,050/- 10/12wheel- Rs.2,050/-
Traffic	Per truck	100/- to 200/-
UPDS (Karbi Underground)	Per truck	1,000/-

iii) Tax on Cement at Railway station

1 rack = 40 wagons. 1 wagon = 1200 cement bags (approx). 1 rack = 50,000 cement bags (approx)

Organisation	Description	Amount (in Rs)
NSCN(IM)	Per rack	1,80,000/-

GPRN/NSCN	Per rack	1,80,000/-
NSCN(K)	Per rack	1,50,000/-
FGN	Per rack	50,000/-
UPDS (Karbi Underground)	Per rack	25,000/-
Sales tax (this is a legal tax not to be clubbed with illegal taxation)	Per rack	14,00,000/-
DMC	Per rack	1,30,000/-
Labour union	Per rack	70,000/-
Truck union	Per rack	8,000/-
Hardware Association	Per rack	5,000/-
	Total	22,13,000/-
Miscellaneous Expenditure		
Truck hiring charges	Per rack	5,00,000/-
Unloading from train	Per rack	1,25,000/-
Unloading at godown		1,35,000/-
	Grand total	29,73,000/-

Note: Due to taxation alone consumers pay roughly Rs. 17/- extra on a bag of cement, excluding Nagaland Sales tax. This is also excluding hiring, loading & unloading charges. Since consumers are paying premium price for every conceivable commodity, quality control is impossible under the given circumstances. Fact-finding Committee found out that in Jorhat cement prices range from Rs. 325/- to 350/- (Jorhat price should be slightly higher since train distance is more passing via Dimapur) depending on quality, but in Nagaland there is no such distinction. In Dimapur all kinds of cement are sold @ 350/- or 360/-. There are different qualities of ms rods too. Jindal, Mittal and Tata steel produce superior quality ms rods but in Nagaland only inferior quality rods produced from small factories in and around Guwahati and North east region are available, this too at a high price (after taxation). The more expensive but good quality rods become unprofitable after taxation and hence traders have no obligation to sell it in Dimapur. Selling inferior quality cement, ms rods, electrical goods, etc., is more or less the prevailing situation in Dimapur. After carriage taxes, the hardware traders again pay “Godown Tax”, which is anywhere up to Rs. 70,000/- (seventy thousand) and also another Rs. 20,000-30,000 per annum as “Yearly Tax” on shops/establishments.

7. TAX ON IMPORTED PIGS

i) Tax on train import. Per wagon=104 pigs = 9000kg x 3 wagons in a month (sometimes 4 wagons).

Organisation	Description	Amount (Rs)
NSCN(IM)	Per wagon	Rs.75,000 per wagon x3wagons = Rs. 2,25,000/-

GPRN/NSCN	Per wagon	-----do-----
DMC	Per pig	Rs. 20/-
DMC (Veterinary Cell)	Per pig	Rs. 30/- per sealing
Police	Per wagon	Rs.500/-
Drivers' Union	Monthly	Rs. 1,200/-
Truck Union	Monthly	Rs. 1,000/-
DMC parking tax	Station to farm (truck)	Rs. 550/- per month
Truck Owners Union	Monthly	Rs. 1,500/- per month
Veterinary deptt.	Per pig	Rs. 60/-

ii) Tax on road import

Organisation	Description	Quantity	Amount (Rs)
NSCN(IM)	Per Truck	55 pigs	Rs. 200/- for gate pass
GPRN/NSCN	Per Truck	55 pigs	Rs. 250/- for gate pass
DMC	Per Truck	55 pigs	Rs.1,000/-
DMC (Veterinary Cell)	Per pig		Rs. 30/- per sealing
Sales tax (this is a legal tax not to be clubbed with illegal taxation)	Per Truck	55 pigs	Rs. 200/-
MVE	Per Truck	55 pigs	Rs. 1,000/-
UPDS (Karbi underground)	Per Truck	55 pigs	Rs. 700/-
Police	Per Truck	55 pigs	Rs. 500/-
State Veterinary deptt.	Per pig		Rs. 60/-

8. TAX ON BUTCHERS (RETAIL SALE)

i) Beef

Organisation	Description	Amount (Rs)
NSCN(IM)	Daily per stall	Rs. 50/-
GPRN/NSCN	Daily per stall	Rs. 50/-
FGN	Daily per stall	RS. 50/-
NNC	Daily per stall	Rs. 50/-
DMC (Vet cell)	Per Cow	Rs. 40/-

ii) Pork

Organisation	Description	Amount (Rs)
NSCN(IM)	Daily per stall	Rs. 50/-
GPRN/NSCN	Daily per stall	Rs. 50/-
FGN	Daily per stall	RS. 50/-
NNC	Daily per stall	Rs. 50/-
DMC (Vet cell)	Per pig	Rs. 30/-

Note: Nagaland is probably the largest consumer per capita of pork in India. Consequently large number of pigs are imported into Nagaland leading to huge “taxation dividends” for various organisations and government agencies. The continuous price rise on account of this factor is creating a situation where which the common man cannot afford pork at all.

9. TAX ON GOAT/MUTTON AT CHECK GATE/MARKET

Organisation	Description	Daily/Monthly	Amount
NSCN(IM)	New market	Monthly per stall	Rs. 1,000/- to 2,000/-
GPRN/NSCN	-do-	-do-	Rs. 800/-
FGN	-do-	-do-	RS. 800/-
DMC	-do-	Per goat daily	Rs. 10/-
DMC (Vet cell)	-do-	Live meat/Dress meat	Rs. 15/- each daily meat
DMC	Check Gate	Daily per Truck/Auto	Rs.1,000/ Rs. 600
DMC (Veterinary deptt.)	Check Gate	Daily per Truck	Rs. 15/-

10. TAX ON FISH IMPORTERS & WHOLESALERS

Organisation	Description	Daily/Monthly/Annual	Amount
NSCN(IM)	Check gate	Per Truck + vehicle Tax	Rs. 8,000+1,500
GPRN/NSCN	-----do-----	-----do-----	Rs.6,000+1,000
FGN	Tax on 6 Importers	Monthly	Rs.25,000/- each
NSCN(K)	-----do-----	Monthly	Rs.25,000/- each
NSCN (K)	Tax on Wholesalers	Annual Tax	Rs.1,20,000 - 1,50,000/-
DMC	Check gate	Per truck	Rs.3,750/-
Forest deptt.	Check gate	Per truck	Rs.2,000/-
Police	Check gate	Per truck	Rs. 2,000/-

Excise	Check gate	Per truck	Rs. 2,000/-
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11. TAX ON FISH RETAILERS

Organisation	Description	Daily/Monthly/Yearly	Amount
NSCN(IM)	Per Stall	Monthly	Rs.600/-
GPRN/NSCN	--do--	Monthly	Rs.600/-
FGN	--do--	Yearly	Rs.2,000/-
NNC	Notun Bosti mkt	Yearly per stall	Rs.1,000/-
DMC	Per stall	Daily	Rs.20/- to 25/-
FGN	Notun Bosti mkt	Monthly per stall	Rs.400/-

12. TAX ON DRY FISH

Organisation	Description	Truck/Sack	Amount
Dry Fish Union	On arrival at market	Per sack	Rs.80/-
GPRN/NSCN	-----do-----	Truck/Mini Truck	Rs.20,000/Rs.10,000
DMC		Per sack	Rs.20/-
Gate Pass Association	Entry tax	Per Truck	Rs.4,500/-
NSCN(IM)	On arrival at market	Per sack	Rs.1,000/- each

13. TAX ON FOOTPATH VEGETABLE VENDORS

Organisation	Daily/Monthly/Yearly	Amount
3 UG factions	Daily	Rs.10/- each
DMC	Daily	Rs.10/-
DMC	Yearly Rent	Rs.300/- to Rs.1,000/-

14. TAX ON POTATO. 1 train wagon=900 bags=50kg per bag. 16 wagons (4 times a week)
=14,400 bags

Organisation	Description	Daily/Monthly/Yearly	Amount
DMC	Per wagon		Rs. 1,000/-
Labour Union	-----do-----		Rs. 175/-
Protection tax	-----do-----		Rs. 100/-
NSCN(IM)	Tax on 6 importers	Monthly	Rs.5,00,000/- total
GPRN/GPRN	-----do-----	--- do---	Rs. 3,60,000/- total
FGN	-----do-----	---do---	Rs. 1,30,000/- total
NSCN(K)	-----do-----	---do---	Rs. 3,50,000/- total
NSCN(IM)	Per wholesale shop	Annual Tax	Rs. 30,000 to Rs. 40,000/-
Truck Union	Per wagon		Rs. 100/-

Note: Potato, sometimes known as poor man's meat is taxed heavily right from railway station to vendor stalls. PROTECTION TAX is another ingenious union formed to collect illegal tax.

15. TAX ON EGGS

Organisation	Description	Daily/weekly/Monthly	Amount
DMC	Per truck		Rs. 3,200/-
GPRN/NSCN	Per truck		Rs. 5,000/-
NSCN(IM)	Per truck		Rs. 6,000/-
Veterinary Deptt.	Per truck		Rs. 200/-
Sales tax (this is a legal tax not to be clubbed with illegal taxation)	Per truck		Rs. 3,000/-
Police	Per truck		Rs. 3,000/-
Excise	Per truck		Rs. 3,000/-
DMC (Vet cell)		Weekly	Rs. 70/-
Transport Agencies	Per Truck driver		Rs. 11,000/-

Note: Annual tax also imposed by 3 Underground Factions without issuing any challans/receipt on all the Egg wholesalers

16. TAX ON FRUIT WHOLESALERS

Organisation	Description	Daily/Monthly/Yearly	Amount
DMC	Per truck		Rs. 450/-
Sales tax (this is a legal tax not to be clubbed with illegal taxation)	Per truck		Rs. 200/-
Police	Per truck		Rs. 400 to Rs. 500/-

MVE	Per truck		Rs. 500 to 1,500/-
Gate Pass Association	Gate pass per truck		Rs. 750/-
FGN/IM/GPRN	Yearly tax per truck		Rs. 3,500/- each
FGN/IM/GPRN	Goods tax per truck		Rs. 12,000/- each
FGN/IM/GPRN	Shop tax	Yearly	Rs. 15,000/- each
DMC	Tax at train station	Per box	Rs. 4/-
NSCN(IM)/GPRN	Tax at train station	Per box	Rs.2/-

17. TAX ON POULTRY

Organization	Description	Daily/monthly/ yearly	Amount
DMC	Pick-up truck per entry		Rs. 850/-
Police	-----do-----		Rs. 200/-
Veterinary deptt.	-----do-----		Rs.2,000/-
IM/GPRN/FGN	-----do-----		Rs. 6,000/- total
DMC	1 coop	Daily at mkt	Rs. 20/-
Veterinary Deptt.	1 coop	Daily at mkt	Rs. 25/-
FGN/IM/GPRN	Per chicken	Daily at mkt	Rs. 5/-

Note: Poultry was banned by ACAUT, indefinitely, because a lot of local entrepreneurs/farmers since the past many years have been at the mercy of syndicate controlled pricing and hence unable to sell their products in the market unless they pay tax to syndicate/dealers patronized by underground factions in which case their business becomes unsustainable. ACAUT felt that the very spirit of free market and healthy competition essential for the well being of the state's economy was being replaced by monopolistic pricing mainly targeted at Naga farmers. It's no coincidence that poultry market now is controlled by illegal immigrants.

18. TAX ON SAND

Organization	Description	Mode of tax	Amount
Police	Dillai gate	Per truck	Rs.100/-
Police	New Field check gate	Per truck	Rs. 200/-
DMC	Both the gates	Per truck	Rs. 250/- each
Sales tax (this is a legal tax not to be clubbed with illegal taxation)	Dillai gate	Per truck	Rs. 250/-
Forest	New Field/Dillai gate	Per truck	Rs. 300/Rs 250/-

Sand Union		Per truck	Rs. 20/-
Gate Pass Association	Dillai gate	Per truck	Rs. 600/-
NSCN (IM)	Dillai gate	Per truck	Rs. 500/-
GPRN/NSCN	Dillai gate	Per truck	Rs. 500/-
IM & GPRN	New field check gate	Per truck	Rs. 2,800/- total

19. TAX ON RICE

Organization	Description	Category	Amount
IM	per wagon (train)	1200 bags x 50 kgs	Rs. 3,000/-
GPRN	-----do-----	-----do-----	Rs. 2,800/-
FGN	-----do-----	-----do-----	Rs. 1,500/-
DMC	-----do-----	-----do-----	Rs. 1,000/-
Police			
Truck Union	-----do-----	-----do-----	Rs. 200/-
Labour union	-----do-----	-----do-----	Rs. 125/-

20. TAX ON JEWELLERS

Organization	Description	Monthly/Yearly	Amount
Jewellers' Union	Per shop	Monthly	Rs. 400 to Rs. 800
NSCN (IM)	Shop tax +House tax	Yearly	Rs. 8000 + Rs. 250
GPRN/NSCN	Shop tax	Yearly	Rs. 6000
FGN	Shop tax	Yearly	Rs. 2500
NNC(A)	Shop tax	Yearly	Rs. 2500

21. TAX PAID BY SHOPS/ESTABLISHMENTS IN DIMAPUR

Description	Organisation	Tax at Gate Entry/ Shops	Amount
Bamboo	NSCN (IM)	Gate tax	Rs.300/- per truck
	GPRN/NSCN	"	Rs.300/- per truck
	Police/Traffic/Flying squad of both East PS&West PS	"	Rs.800/- per truck
	FGN	"	Rs. 300/- per truck

	Bamboo Union	"	Rs.150/- monthly
	NSCN (IM)	Shop tax	Rs.4,000/- yearly
	GPRN/NSCN	"	Rs.4,000/- yearly
	FGN	"	Rs.3,000/- yearly
	NNC	"	Rs.2,000/- yearly

Description	Organisation	Amount
Bakery	NSCN (IM)	Rs.30,000/- yearly
	GPRN/NSCN	Rs.40,000/- yearly
	FGN	Rs.3,000/- yearly

Description	Organisation	Amount
Electronics	NSCN (IM)	Rs.50,000/- yearly
	GPRN/NSCN	Rs.50,000/- yearly
	FGN	Rs.10,000 to 15,000/- yearly
	NSCN(K)	Rs.30,000/- yearly

Description	Organisation	Amount
Rice Mill	NSCN (IM)	Rs.20,000/- yearly
	GPRN/NSCN	Rs.20,000/- yearly

Description	Organisation	Amount
Stationary	NSCN (IM)	Rs.8,000/- yearly
	GPRN/NSCN	Rs.8,000/- yearly
	FGN	Rs.3,000/-yearly

Description	Organisation	Amount
Motor Parts	NSCN (IM)	Rs.5,000/-yearly

	GPRN/GPRN	Rs.5,000 /-yearly
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#Suggestions of FFC:

1. Taxations by UGs and government agencies is directly related to price rise. In Nagaland, prices of most commodities are higher than neighbouring Assam and unless this taxation problem (both legal & illegal) is resolved, the public will continue to suffer. Topping the misery of common man is the overall inflation in the country and instead of controlling inflation in local markets, the district administration, DMC and the different arms of the state government has exacerbated the problem. Therefore, it's imperative that Nagaland government view this with outmost seriousness and tackle the issue.
2. Taxation and syndicate system is killing local entrepreneurs. Case in point is poultry. Also, the job scenario under the state government is bleak or even stagnant and >60,000 educated unemployed youths are staring at a grim future and unless the educated unemployed youths start businesses and enter the market and start controlling the economy of our state, many livelihoods are in peril not to mention of our *economic independence*. Therefore, unless illegal taxations and its related syndicate system are eradicated, Nagas entrepreneurs cannot create successful entrepreneurships.
3. Illegal Bangladeshi immigrants (IBIs) are mostly behind the dealership and syndicate system which members of Chamber of Commerce and Industry of almost every district virtually testify. Moreover, Trade Licenses (TLs) of most non-locals in the state are registered under Naga names thereby virtually giving a free hand to outsiders, including manipulating prices and forming syndicates. Therefore, *there should be a committee to oversee issuance of TLs with members from the respective Chamber of Commerce & Industry of the district included*. Driving license should be issued to non-locals only after proper verification. As the police arrest report testifies, tax collectors of all the UG groups in the market are non-locals, many suspected IBIs.
4. The "tax holiday" of one year for newly established Naga entrepreneurships announced years back with much fanfare by certain UG groups is self-congratulatory and not enough since it's bereft of any real economic benefits. Any fresh entrepreneurship requires a minimum of 2-3 years to become self sustaining or financially sound. Under the present system, random & unabated taxation is killing businesses and upcoming entrepreneurs.
5. Due to unabated and illegal taxations, traders have no option but resort to marketing less than standard quality products. For instance, Tata, Jindal or Mittal MS rods are high grade rods not sold in Nagaland as these have small margins of profit and any taxation on these brands makes it unprofitable. Therefore, MS rods sold in Nagaland are mostly products of small scale industries located in and around Guwahati, Assam. In the case of cement, there are several cement mini-plants in Assam and their quality cannot be compared with other high-end brands. Therefore, the economics of taxation warrants that traders sell both a) *cheap, low-quality products and good quality products* to undercut losses and b) *at a flat rate*

to maximize profit. In the light of the above, government needs to ponder how this does compromise the quality of our buildings. Nagaland lies within the highest seismic zone in the country, that is, Zone 5 and the danger to lives is clear and present. The taxation menace has affected the quality of almost every product in the market including medicines, electrical goods, tobacco and even potatoes.

6. In this melee of illegal taxations and syndicate system, it's not surprising that *DMC has ceded its responsibility to illegal syndicates working behind the scenes*. For instance, poultry is directly imported from neighbouring Lahorijan-Bokajan sector of Assam by Dimapur syndicates directly linked with the poultry syndicates in Assam. These syndicates control the interstate trade on poultry and to maximize profits the syndicates serve each other by raising the prices now and then. Making the picture worse is DMC fixing poultry price according to the convenience of the importers. The same modus operandi is repeated across all commodities.
7. It is the strong opinion of *FFC that so-called DMC toll gates should be abrogated in the interest of public through proper legislation during this July Monsoon session of NLA* as the charts clearly reveal that toll gates are responsible for price rise. DMC, instead of being a regulatory body on pricing is directly accentuating the problem of price rise through toll gate tax. FFC is also of the view that DMC should be professionalized. As such, state government should allow some semblance of autonomy to DMC, including control over roads, electricity and water supply and reduce the dependence of the latter on the former. This would also ensure that direct political interference in day-to-day functioning of DMC is done away.
8. Dimapur is losing out to neighbouring *Lahorijan-Khatkati-Bokajan sector (LKB)* of Assam as far as trade and commerce is concerned. Transport companies, trade agencies for milk powder, soap, detergent products, and essential commodities, brick kilns, and other businesses are staring at losses due to taxations. Therefore, the possibility of Dimapur based business houses moving to *LKB sector* in the immediate future cannot be discounted. Such a move would lead to emergence of *LKB sector* at the expense of Dimapur. Already moves are afoot by Assam government to develop *LKB sector* by constructing National Highway through this sector and linking the area with *East-West Corridor (Haflong in Assam to Porbander, Gujarat)*. This is an impressive economic strategy by Assam Government to develop its far flung areas taking advantage of India's liberal economic growth and Look East Policy. Even Imphal is attracting big investment despite the turmoil in Manipur relating to UGs because of the government's perceived ability to control the law and order situation on the ground. Imphal airport is reportedly on its way to becoming an *International airport* and thousands of crores has been sanctioned for its up gradation. Contrast this with Nagaland where petty squabbles for monetary gain is stunting both economic growth and the long standing Naga political problem. Case in point being the withdrawal of private Spice Jet from Dimapur-Kolkata sector due to heavy UG taxation.
9. Like the killing of the proverbial goose that laid golden eggs, taxation by NPGs and government agencies along NH 29 linking Manipur and Moreh is the last nail on the coffin of Nagaland economy. If the assorted bandhs imposed by various organisations against Imphal valley is not enough, taxations on Manipur bound vehicles in Nagaland and Naga inhabited areas of Manipur has stirred the Manipur government to find an alternative route to Imphal valley. Works on Jiribam-Imphal

railway, NH from Silchar-Imphal via Tamenlong district are some of projects being undertaken on a war footing. Once these projects are completed, many of the local economies depending on Manipur bound vehicles, including petrol outlets and roadside hotels are bound to shut down putting families at peril. Thus, on the economic front the state is in shambles and losing out to neighbouring states.

#Conclusion:

ACAUT in its consultative meeting with Naga entrepreneurs held on 9/7/13 deliberated on the issue of taxation and the entrepreneurs were of the unanimous view that multiple taxations by multiple NPGs and the undeclared patronization of non-locals traders in awarding illegal dealerships and formation of syndicates is killing Naga entrepreneurs at the cost of future generation. Many entrepreneurs contested the term “taxation” on the grounds that Naga UGs have not invested the money collected, sometimes forcibly, on public works and therefore, the term is a misnomer. They actually felt that the so-called taxation is none other than plain extortion. Some members highlighted that entrepreneurs had much vision to build the state’s economy and boost the job sector by employing hundreds of local youths but taxation by UGs ostensibly fighting for Naga interest have dashed such hopes. Ironically, they lamented that instead, the economy of the state is now controlled by outsiders, thanks to UG patronage. They also expressed fears that sooner or later outsiders may start dictating state policies having dire consequences for the social and political well being of Nagas.

The entrepreneurs also asserted that taxations to multiple NPGs is unacceptable. They felt that if at all tax has to be paid, it should be only once and to only one group, preferably a unified entity. This line of thought represents the aspirations of all Nagas and ACAUT under the aegis of Naga Council is in agreement with such; however, such a modality is being worked upon by FNR and thus, the scope of ACAUT is limited.

The Naga political groups have to admit responsibility for the mess created with our economy. ACAUT believes that unabated taxation has created a class of people in NPGs who neither believe in the ideals of the freedom movement nor care for the sufferings of the citizens. In all probability these people have now hijacked the movement. Equally responsible is the different arms of the government creating this sorry state of affairs. On the whole, the state government is culpable for allowing the UGs a free run with its illegal activities and the its professed inability to rein in the cadres. Also, the Government of India’s (GOI) diabolical policy of looking the other way and thus giving the UGs a free hand (license to tax, unofficially); hoping to sow contradictions in Naga aspirations for just political settlement negates the primary duty of the state, that is, protection of its subjects.

Both the GOI and the NSCN (IM) are reminded that as per the “Revised text of Agreed Ground Rules for Ceasefire” between GOI and NSCN (IM) on 13th January, 2001, under serial no. (i), the NSCN (IM) leaders said that “...theirs being a people’s organisation, they did not resort to such (taxation). Also, in view of the concern expressed by the GOI and in the interest of promoting the peace process, the NSCN representatives agreed that the above activities would be prevented (that is, forcible collection of money/intimidation of individuals including government servants)

The same set of ground rules is also applicable to GPRN/NSCN and NSCN (K) too.

