

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:287
ANSWERED ON:16.03.2001
RESTRUCTURING OF CBDT AND CBEC
ADHIR RANJAN CHOWDHURY

Will the Minister of FINANCE be pleased to state:

- (a) whether the target of revenue collection during the last three years could not be achieved;
- (b) if so, the reasons therefor;
- (c) whether the Central Board of Direct Taxes and Central Board of Excise and Customs are being restructured as a part of a series of efforts to meet the revenue collection targets;
- (d) if so, the extent to which restructuring of CBDT and CBEC is going to generate more revenue; and
- (e) the other steps taken to meet the revenue shortfall?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a): Yes, Sir.
- (b): The main reasons for shortfall in revenue collection during the last three years are instability in crude oil prices, slower growth in industrial sector; new incentives provided during these years for infrastructure development, industrialisation, capital market and housing sector, and change in the pattern of imports.
- (c): The Income Tax, and the Customs and Central Excise Departments are being restructured.
- (d): The restructuring of the CBDT and CBEC would impart greater transparency and efficiency in their functioning and help widen the tax base, leading to generation of substantial additional revenues.
- (e): Other steps taken to meet the revenue shortfall include rationalisation of the rate structure, simplification of administrative procedures in order to increase tax compliance, removal of exemptions, bringing more commodities in the tax net, and widening of the tax base.