

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5229

ANSWERED ON:29.04.2005

SIMPLIFICATION OF TAX LAWS

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to simplify the tax laws so as to make simple and tax payers friendly;
- (b) if so, the details in this regard; and
- (c) to what extent such a step can help in achieving higher growth rate in the coming years?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Yes, Sir.

(b): The scope of the exercise to simplify the tax laws will extend to all the provisions relating to the tax structure, compliance procedures and administration so as to facilitate voluntary compliance.

(c): Simple and tax payer friendly tax laws encourage voluntary tax compliance and increase the tax buoyancy.