

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3576
ANSWERED ON:15.12.2006
WORLD BANK STUDY ON TAXES
Chakraborty Dr. Sujan;Madhwaraj Smt. Manorama

Will the Minister of FINANCE be pleased to state:

- (a) Whether India has 9000 pages of IT laws as reported in the Hindustan Times dated November 14, 2006 ;
- (b) If so, the reactions of the Government thereon ;
- (c) Whether complicated IT procedure lead to tax evasion; and
- (d) If so, the steps taken / proposed to be taken by the Government to simplify the same ?

Answer

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

(a) No, Sir.

(b) The Government have issued a denial based upon which Hindustan Times published the following in their edition dated 28-11-2006 in the column 'Letters to Editor' :

"The report India has 9,000 pages of income tax laws (November 14), appears to suggest that India has a complex income tax legislation. The report is based on a Pricewaterhouse Coopers-World Bank Study entitled 'Paying taxes, the global picture'. On page 16 of the study, the number of pages of primary tax legislation in India is shown as 9,000. On page 17, the study states India has the most number of pages of primary federal tax legislation, at 9,000. It clearly refers to all central tax legislations and not just income tax."

The HT report suggests that all the 9,000 pages relate only to income tax law. The report is incorrect and against public interest.

(c)&(d) Yes, complicated income-tax procedures encourages tax evasion and avoidance. Therefore, Government had set-up an expert Group to prepare a draft for new simplified Income-tax Code. The Group has submitted its report on 08-09-2006. The Report is under consideration of the Government.