

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:668
ANSWERED ON:03.12.2004
INCOME TAX TARGET
Reddy Shri Karunakara G.

Will the Minister of FINANCE be pleased to state:

- (a) the State-wise number of income tax payee in the country at present;
- (b) whether the Union Government proposes to amend the present criteria fixed for identification of income tax payers;
- (c) if so, the details thereof;
- (d) whether all the retired Central/State Government employees getting a minimum pension of Rs. 5000 per month, car owners, etc. who are coming under 1/6 category have submitted their returns;
- (e) if not, what action are being taken against those persons who have not submitted their returns;
- (f) the measures taken by the Government to bring the people of the above mentioned areas under the ambit of income tax;
- (g) whether it is also one of the reasons for the shortfall in the tax recovered from the income tax payees in comparison to the target fixed; and
- (h) the total number of such cases alongwith the action taken in this regard?

Answer

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

- (a) Based on the data available from 108 Chief Commissioner Regions (or equivalent offices), the total number of Income Tax assesseees in the entire country as on 31.3.2004 was 3.02 crores. State-wise details are not maintained.
- (b) No such proposal is presently under consideration of the Government.
- (c) Does not arise.
- (d) Details in respect of separate categories of assesseees prescribed under the one-by-six Scheme, as also retired Central and State Government employees or car owners are not maintained.
- (e) Penalty of a sum of Rs.5000/- is leviable under Section 271-F of the Income Tax Act, 1961 on account of failure to furnish Return of Income as required to be filed in terms of the provisions of Section 139(1) and proviso thereto.
- (f) It is the constant endeavour of the Government to bring more and more people under the tax net. Several measures initiated for this purpose include:
 - (i) Implementation of One-By-Six Scheme.
 - (ii) Compulsory quoting of Permanent Account Number (PAN) in certain high value transactions.
 - (iii) Filing of Annual Information Return (AIR) under Section 285BA of Income Tax Act, in respect of certain financial transactions, as prescribed.
 - (iv) Carrying out surveys and searches on a selective basis.
 - (v) Extending the applicability of TDS provisions to cover various financial activities.

(vi) Efforts to educate the taxpayers by holding camps in different areas.

(vii) Publicity and awareness campaigns through print and electronic media.

Apart from the above, a comprehensive computerization programme has been undertaken to bring all the 516 Income Tax offices throughout the country under an All India Computerized Network. A Tax Information Network (TIN) has also been set up in order to act as a tax-related information base.

(g) Such a study has not been undertaken. However, there can be several reasons for shortfall in taxes recovered in comparison to the targets fixed. Some of the reasons may be that the assesseees are not traceable or demand is covered by stay granted by either an Income Tax authority or the jurisdictional ITAT/High Court or Supreme Court. In case of Notified Assesseees, recovery is possible only with the approval of the Special Courts. Some cases could be pending before the Board for Industrial and Financial Reconstruction, where recovery is not possible in view of the provisions of Section 22 of Sick Industrial Companies (Special Provisions) Act, 1985.

(h) Such details are not centrally maintained. However, recovery is being monitored at the highest levels by setting up Tax Recovery Cells in various Chief Commissioner Regions.