

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:658

ANSWERED ON:03.12.2004

CORRUPTION IN TAX COLLECTION MACHINERY

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Will the Minister of FINANCE be pleased to state:

- (a) whether tax collection has not been in commensurate with expectation due to corruption rampant in the tax collection machinery;
- (b) the reaction of the Government thereto;
- (c) the steps taken by the Government for improvement in the system; and
- (d) the extent of success achieved by the Government therefrom?

Answer

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

- (a): The direct and indirect taxes collections have been commensurate with the expectations of the Government.
- (b): Does not arise.
- (c): A number of legislative and administrative steps have been taken to augment collection of both direct and indirect taxes, including strategy for recovery of arrears, strengthening of the Vigilance Directorates to deal with corruption more effectively, appropriate action such as suspension, initiation of disciplinary proceedings against officials involved in corruption, identification of sensitive posts so as to avoid posting of officers of doubtful integrity to such posts, etc.
- (d): The buoyancy in direct and indirect tax collections is attributable to the steps taken by the Government to augment collections.