

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3248
ANSWERED ON:13.08.2010
TAX EVASION BY REAL ESTATE SECTOR
Sudhakaran Shri K.

Will the Minister of FINANCE be pleased to state:

- (a) whether there were complaints related to tax evasion in the real estate sector;
- (b) if so, the details thereof for each of the last three years;
- (c) the details of cases registered in this regard;
- (d) whether any Income Tax officials were involved in such cases; and
- (e) if so, the details thereof and the action taken or proposed to be taken in this regard?

Answer

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

(a) to (c): Complaints of tax evasion including those related to the real estate sector are received by Central Board of Direct Taxes(CBDT) and various field formations of the Income Tax Department. The Income Tax Department does not maintain any central database regarding complaints of tax evasion received in respect of any particular category of persons or sectors, including real estate sector. Under the Income Tax Act, there is no procedure available for registering a case against any person on the basis of complaint. However, as and when any instance of tax evasion in any sector, including the real estate sector comes to the notice of the Department, appropriate action under the Income Tax laws is taken to bring to tax the unaccounted income.

So far as evasion of service tax in real estate sector is concerned, the information is being collected and will be laid on the Table of the House.

(d) & (e): No instance of involvement of any Income Tax Official in complaints related to tax evasion in the real estate has come to the notice of the Government.