

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2684
ANSWERED ON:09.12.2011
TAXES FROM AIRLINES COMPANIES
Singh Shri Pashupati Nath

Will the Minister of FINANCE be pleased to state:

- (a) the types/details of taxes charged from the various Airlines Companies in India;
- (b) the category-wise amount of taxes outstanding against each company;
- (c) the steps taken by the Government to recover outstanding taxes against them; and
- (d) the success achieved by the Government in this regard?

Answer

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

(a): So far as Central Taxes are concerned, Corporate Tax which is a part of direct taxes is charged from the companies in India including Airline companies. Indirect taxes such as Customs, Central Excise and Service tax are leviable on goods and services and not on companies, per se. However, currently aircrafts imported for Scheduled and Non-Scheduled operations and for servicing and repair of those aircraft are conditionally exempted. All other similar imports of aircraft attract basic customs duty(BCD) @ 2.5% and countervailing duty (CVD) equivalent to excise duty @ 10%. Imports of helicopters also attract BCD @ 2.5% and CVD 10%. Import duty is also charged on all goods imported by airlines, other than printed ticket stocks, Airways bills, publicity material & printed material bearing insignia of the airline etc. The Aviation Turbine Fuel (ATF) attracts Nil BCD, CVD equivalent to excise duty @ 8%.

(b):The data of the corporate tax outstanding against various assesseees is not centrally maintained irrespective of Airlines Companies. However, the total arrears outstanding against corporate tax payers as on 01.04.2011 was Rs 1,36,315 crores, which includes demand difficult to recover.

(c): So far as direct taxes are concerned, apart from the statutory measures taken for recovery of outstanding tax dues as prescribed under the Income Tax Act, 1961 (including attachment of bank account, attachment and sale of immovable property etc.), the following special measures are being taken to expedite recovery of pending tax dues against assesses irrespective of Airlines Companies:

- i. Recovery of outstanding taxes by identification of actionable cases and putting them for strict monitoring,
- ii. Identification of cases involving substantial amount pending before Commissioners(Appeal) and ITAT and requesting these authorities to dispose-off such appeals early so that the amount can be collected expeditiously,
- iii. Publicity and awareness campaign regarding tax payer's education and to improve voluntary compliance.

(d); During the period April-November, 2011 cash collection out of arrears from Corporate Tax payers irrespective of Airlines Companies was Rs 13,000 crores (provisional).

Information in respect of reply to parts (b) to (d) of the Question relating to indirect taxes is being collected and will be laid on the Table of the House.