

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5889

ANSWERED ON:11.05.2012

EVASION OF CAPITAL GAINS TAX

Alagiri Shri S. ;Laguri Shri Yashbant Narayan Singh;Sinh Dr. Sanjay;Vasava Shri Mansukhbhai D.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has reviewed the working of Income Tax Department especially the Capital Gains Tax so as to assess the manner of evasion of Capital Gains Tax and the reasons for non-recovery of the dues;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor alongwith the reaction of the Government thereto;
- (d) the commissionerate-wise amount of capital gains tax collected and amount evaded during each of the last three years; and
- (e) the reformative steps taken or proposed to be taken by the Government in this regard?

Answer

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

- (a) No Sir, the Department does not review working of capital Gains tax exclusively because under Income Tax Act, 1961, the assessee files income tax return disclosing `Total Income` under various heads of Income including capital gains. No separate return of Income is prescribed for Capital Gains tax. The assessing officer, thus, frames assessment of tax on the total income of the assessee and no separate and independent assessment for capital gains is made. The Assessment work of income tax officials is subjected to periodical inspection, Review, internal audit and audit by Comptroller and Auditor General. Similarly, tax dues are recovered from the assessee on total amount of tax outstanding including any tax on Capital gains.
- (b) Nil in view of (a) above.
- (c) Nil in view of (a) above.
- (d) The Ministry does not collect head-wise information of tax collected under each head of Income which also includes Capital Gains.
- (e) Whenever in the review of Total Assessment as mentioned in (a) above any deficiency in the provisions of Capital Gains is pointed out, the reformative steps are taken by the Government by making suitable amendments in the Income Tax Act on need basis. Even the provisions of Capital Gains have been suitably amended in the past and proposed in The Direct Taxes Code Bill, 2010 also.