

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7100
ANSWERED ON:18.05.2012
TAX DEDUCTED AT SOURCE
Rama Devi Smt. ;Singh Shri Ratan

Will the Minister of FINANCE be pleased to state:

- (a) the objectives laid down for, and purpose served through the institution of Tax Deduction at Source (TDS) in the Income Tax Department;
- (b) the number of complaints received by the Government in respect of TDS during the last three years and details of the follow up action taken thereon and the outcome thereof; and
- (c) the value of return filed under TDS during the last three years, year-wise?

Answer

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

(a) TDS is one of the modes of collection of taxes wherein a certain specified percentage of payment is deducted by the person from the amount paid/credited to another person, if such payment is of specified nature as per the Income Tax Act. The amount deducted is required to be remitted to the Government account within a specified time frame. This is similar to 'pay as you earn' scheme. It facilitates sharing of responsibility of tax collection between the deductor and the tax administration, and ensures cash inflows to the Government coffers. It acts as an effective mechanism to expand tax net and prevent tax evasion by creating an audit trail.

(b) Data cannot be maintained centrally as the Offices are scattered around the country.

(c) Contribution of TDS in the total direct tax collection for the past three FYs is as below:

(in Rs crores)

SI No	Financial Year	Total TDS Collection
1	2008-09	128230
2	2009-10	145736
3	2010-11	168669
4	2011-12	207700 (provisional)