

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4155
ANSWERED ON:22.03.2013
TAXES LOCKED IN DISPUTES
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of FINANCE be pleased to state:

(a) whether income tax authorities had fixed any target for the last three years for recovery of pending dues and if so, the details and achievement made thereof during each of the last three years and the current year; and

(b) the details of companies from whom income tax worth more than Rs. 1 crore is due for recovery and time since when the amount is outstanding along with efforts made to recover the dues?

Answer

FINANCE MINISTER (SHRI P.CHIDAMBARAM)

(a) Yes Sir. The Income tax department every year fixes the target for recovery of arrear demand through the Central Action Plan. For the last three years this target and achievement thereof is in the Table below:

Financial Year	Target for Arrear Collection	Collection out of arrear demand
2009-10	13153	11939
2010-11	13906	12011
2011-12	23683	19654
2012-13	41115	18757{(till January 2013)}

#Provisional

(b) Raising of demand and subsequent collection /recovery is a continuous process. The assessee- wise data of outstanding demand is dynamic and spread across the jurisdictions throughout the country. The Income-tax Act, 1961 authorises only the Assessing Officers and their hierarchical field authorities to take appropriate action for collection/recovery of arrear demands. Hence the data of outstanding tax demand due for recovery, and time since when the amount is due, is not maintained centrally as the efforts will not be commensurate with the purpose that is sought to be achieved.

(b) Apart from the statutory measures taken for recovery of outstanding tax dues as prescribed under the Income Tax Act (including attachment of bank account, attachment and sale of immovable property etc), the Department has adopted a comprehensive strategy to improve collection/recovery of outstanding taxes. These are enumerated below:

Statistics have been revisited to improve reliability and identify cases requiring concerted attention by properly classifying those into actionable and non- actionable cases.

Actionable cases are to be taken up for expeditious recovery and are to be constantly monitored. If the taxpayer applies for stay of demand/installments, AOs have been advised proper application of mind before accepting such requests and to keep quantum of installments granted (if any) commensurate to the total arrears and take immediate coercive action in case of any default. Carte-blanche stays by A.O.s are deterred.

Standing Counsels are advised to take up the matter before High Court/ Supreme Court for vacation of stay in old cases

Departmental Representatives were advised to plead for payment of taxes in the cases of stay before the ITAT and not to seek adjournment in high demand cases.

In the category of Non-actionable cases are companies under liquidation, cases before BIFR, demand created on protective basis, cases before Income Tax Settlement Commission (ITSC), cases of untraceable taxpayers or taxpayers with no/inadequate assets for recovery, assessee being Notified persons and demand pending write-off. Special focus has been accorded to the cases where assessee are not traceable or assets do not appear sufficient to effect recovery,

AOs have been advised to make basic verification from Departmental data base like ITDMS data and Individual Transactions Statement (ITS), records with Registrar of Companies, other agencies like FIU-IND, information available on Internet, other material in public domain, etc.

Liaison is maintained by the field formations with Income Tax Settlement Commission to have an early hearing and disposal of the case with substantial outstanding dues.

Watch is on BIFR cases to enforce recovery when bar against recovery gets lifted as soon as the rehabilitation period expires or cases abate.

All possible steps are taken to press tax claims with the court / custodian in security scam cases.