

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4126

ANSWERED ON:20.03.2015

REVENUE COLLECTION

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Will the Minister of FINANCE be pleased to state:

- (a) the revenue collection including Direct and Indirect taxes by the Government during the last three years, year and head-wise;
- (b) whether the said revenue collection has shown a declining trend, if so, the details thereof and the reasons therefor;
- (c) whether in view of the declining revenue collection, the Government has instructed the States to increase the targets for revenue collection;
- (d) if so, the details thereof, State-wise; and
- (e) the other steps being taken by the Government to enhance revenue collection including Direct and Indirect taxes?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (JAYANT SINHA)

(a): Details of actual revenue collection through direct and indirect taxes by the Government during the last three Financial years are as under:

(Rs. In crore)

Financial Year	Nature of Taxes		Total
	Direct Taxes	Indirect Taxes	
2011-12	493946	392443	886389
2012-13	558658	474482	1033140
2013-14	638543	497061	1135604

(b): There are no declining trend in collection of revenue during the last three years as indicated in reply to part (a) above.

(a) & (d): Does not arise in light of (b) above.

(e) To enhance the revenue collection is an ongoing process. In the Union Budget 2015, the following proposals have been made to enhance the revenue collection through direct taxes:

It is proposed to provide for chargeability of interest paid by a permanent establishment (PE) or a branch of a foreign bank in India to its Head office and other overseas branches under the source rule of taxation and for treating the PE or branch as a taxable entity for computation of income and for purpose of levy of tax and TDS.

It is proposed to provide for penalty on advance taken / repaid in cash above Rs.20,000/- for immovable property transactions.

It is proposed to enable the Central Government/CBDT to capture information regarding prescribed foreign remittances to ensure proper taxation of such payments.

Surcharge on income-tax is proposed to be increased from 5% to 7% for domestic companies having income exceeding Rs.1 crore & upto Rs.10 crore and from 10% to 12 % for domestic companies having income greater than Rs. 10 crore. Further, the surcharge on income-tax has been increased from 10% to 12 % for non-corporate assesseees having income greater than Rs. 1 crore.

In the Union Budget, 2015-16 the following proposals have been made to broaden the indirect tax base viz. change in service tax rate from 12% plus education cess to 14%, pruning of the negative list and withdrawal of certain exemptions with regard to service tax.

In addition to the above, several measures have been taken by the Government to improve the revenue collections such as, risk management system, use of information technology, special audit, speedier adjudication, liquidation of arrears, monitoring of Advance Tax payments by top taxpayers, monitoring payment of tax deducted at source by top deductors, organizing awareness programme regarding TDS/TCS provisions for proper compliance, utilizing third party information for detection of cases of tax evasion, etc.