

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3226
ANSWERED ON:01.08.2014
REVENUE FOREGONE
Innocent Shri

Will the Minister of FINANCE be pleased to state:

(a) the amount of customs, excise, income and corporate taxes foregone during each of the last three years along with the reasons therefor, category-wise; and

(b) the measures taken to reduce the quantum of revenue foregone?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (NIRMALA SITHRAMAN)

(a)& (b): The amount of customs, excise, income and corporate taxes foregone during each of the last three years are given below:

(Rs. In crore)

Category	2011-12	2012-13	2013-14 (Estimated)
Customs	236852	254039	260714
Excise	195590	209940	195679
Corporate Income Tax	81214.3	92636	102606.4
Firms/ associations of persons / Body of Individuals	7148.4	5908.9	7120.8
Individuals	32230	27626.8	33293.2

#The figures are exclusive of net additional tax liability on account of MAT.

The revenue foregone is on account of various tax incentives provided under the Income-tax Act, 1961 to promote savings by individuals, exports; balanced regional development; creation of infrastructure facilities; employment; donations for charity and rural development, etc. Steps have been taken to gradually phase out profit linked deductions in the Income Tax Act, 1961. Further, minimum alternate tax @18.5% has been levied on assesseees (companies) having book profit. So far as indirect taxes are concerned, Revenue foregone is defined to be the difference between the duty that would have been payable but for the exemption notification and the actual duty paid in terms of the said notification. The Central Government has the power to issue general exemptions under sub-section (1) of section 5A of the Central Excise Act, 1944 in respect of excise duty and sub section (1) section 25 of the Customs Act, 1962 in respect of customs duty. These exemptions are given in public interest.