

12.35 hrs.

(RAILWAY CONVENTION COMMITTEE

(Twelfth Report)

SHRI D.L. BAITHA (Araria) : Sir, I beg to present the Twelfth Report (Hindi and English versions) of the Railway Convention Committee on 'Track Expansion Programme of Railways.'

**TAXATION LAWS (AMENDMENT)
BILL —CONTD.**

MR. DEPUTY-SPEAKER : Now we take up the legislative business, further considerations of the Taxation Laws (Amendment) Bill, Mr. S.M. Krishna was on his legs. Mr. S.M. Krishna.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.M. KRISHNA) : Sir, While moving the Bill for consideration, I made it abundantly clear to this House that this Bill did not contemplate any major changes in the tax structure and that the Bill had Limited objectives to be accomplished. Those objectives are that the inconvenience to tax-payers has to be avoided, the litigation has to be reduced, anomalies, if there are any, which have been identified, have to be removed and rationalisation of some of the provisions. It was in this context that I said that certain procedural reforms had got to be brought in. It was not the purpose of this piece of legislation to attempt to bring about comprehensive reforms to the tax structure.

Unfortunately, my esteemed friend, Shri Amal Datta, missed this point while he initiated this debate. I expected that certain objectivity would be brought in by him. He asked me as to why retrospective effect was being given to some of the provision of this Bill. Retrospective effect has to be given because, as I said in my opening remarks, the intent of the Legislature had not been properly reflected; in order to make the intent of the Legislature manifest, a certain retrospective

effect has to be given in this legislation which makes the intention of the Legislature pronounced. He also suspected that, in our anxiety to give retrospective effect, we were trying to give certain tax concessions to some companies or to some individuals, the elections being round the corner. I really fail to understand how the hon. Member could jump to such a conclusion without going into actually what has been given retrospective effect to, whether any liability is being either enhanced or exempted. Nothing like that has been resorted to in these provisions.

Shri Satish Agarwal, my esteemed friend, and a former Minister in Finance, raised a number of issues. I was very happy that he did welcome some of provisions of the Bill. Of course, we could not come up to his expectation of bringing in certain major reforms. In 1977 the Choksi Committee was appointed by the then Government and they they produced a voluminous report about the reforms to be brought into the direct tax laws. Subsequently when we came to power in 1980, we also appointed a high-powered Committee, the Economic Administrative Reforms Commission with Shri L.K. Jha as the head of this Commission.

They have made a number of recommendations. So, while we were attempting to rationalise the procedural aspect, we had the benefit of the recommendations made by the Choksi Committee, the recommendations made by the Economic Administrative Reforms Commission and also the 51st Report of the PAC of the Third Lok Sabha and also the 25th Report of the Committee on Subordinate Legislation. So we have benefited quite a bit through various recommendations and I would like to quote the Economic Administrative Reforms Commission :

"It is worth mentioning that initially the Commission did give serious consideration to such radical possibilities as a comprehensive redrafting of the Income-tax Act with a view to bringing about clarity and simplicity or the drafting of an Act which would take care of procedures, definitions and the general management of all the direct