

12.32 hrs.

RE: REPORTED RAILWAY ACCIDENT

Shri S. M. Banerjee (Kanpur): Sir, I have a submission to make. It is most unfortunate that there has been a second train accident where three people have died.

Mr. Speaker: He can come to me. The rules of discipline and procedure that we have chalked out should not be thrown out at this moment because there is an emergency. Of course, I have been allowing certain concessions because passions are excited and there are unusual times so that hon. Members might ask those questions. But it is an established rule now and hon. Members have been doing that, that is, if there is a grievance that they have they can come to me and represent to me that any decision taken must be reviewed and I will be prepared to do that.

12.33 hrs.

PAPERS LAID ON THE TABLE

ANNUAL REPORT OF THE STATE TRADING CORPORATION OF INDIA LIMITED FOR THE YEAR 1961-62

The Minister of Commerce and Industry (Shri K. C. Reddy): Sir, I beg to lay on the Table a copy of Annual Report of the State Trading Corporation of India Limited, New Delhi, for the year 1961-62, along with the Audited Accounts and the comments of the Comptroller and Auditor General thereon, under subsection (1) of section 619A of the Companies Act, 1956. [Placed in Library. See No. LT-624/62].

12.33½ hrs.

MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary of Rajya Sabha:—

"In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 3rd December, 1962, agreed without any amendment to the State-Associated Banks (Miscellaneous Provisions) Bill, 1962, which was passed by the Lok Sabha at its sitting held on the 28th November, 1962."

12.33½ hrs.

GIFT-TAX (AMENDMENT) BILL

The Deputy Minister in the Ministry of Finance (Shrimati Tarkeshwari Sinha): Sir, on behalf of Shri Morarji Desi, beg to move:†

"That the Bill further to amend the Gift-tax Act, 1958, be taken into consideration."

It is now about a year that this House considered in detail the position of the Income-tax Act, 1962. By that Act the Income-tax Act, 1922, was repealed and several changes of form and substance were made with a view to rationalise the procedures and checking avoidance and evasion of taxes more effectively.

As hon. Members are aware, the basic pattern of the Gift-tax Act is the same as that of the Income-tax Act. The administrative set-up for both taxes is practically the same. Some of the recommendations made by the Direct Taxes Administration Enquiry Committee are applicable to the other direct taxes including the Gift-tax. Having regard to both these it is considered expedient that the provisions of the Gift-tax Act, 1958, should also be brought in line with those of the Income-tax Act, 1961.

†Moved with the recommendation of the President:

Opportunity has also been taken here to introduce a few changes in the Gift-tax Act. It has been found to be necessary to meet the problems which have arisen during the course of the administration of this Act. The amendments proposed in this Bill are the following. They broadly fall into three categories. The first type of amendments are formal. That is to say, the references to the serial numbers of the sections in the Indian Income-tax Act, 1922, to be replaced by references to the corresponding sections of the Income-tax Act, 1961.

The second type of amendments proposed are about some re-drafting of existing sections with a view to clarify their intentions and introduction of a new clause to adopt the modified procedure of assessment, penalties to be levied, appeals and the recovery on the lines of the Income-tax Act, 1961.

Thirdly are the changes necessitated by the working of the Act itself as it has been experienced.

The amendments falling in the first category are very formal and do not require any explanation. The second category of amendments also do not require a detailed discussion on my part here because they were subjected to a comprehensive analysis and scrutiny by the Select Committee and the House when the Income-tax Bill, 1961 was under discussion in this House. Mention, however, may be made here about some important changes falling in the second category which I have proposed: (i) provision for charge of interest on delayed payment of taxes, which have been provided in the Income-tax Act, 1961; (ii) provision for payment of interest by the Government on delayed refund; (iii) recovery of gift tax under a self-contained code forming part of this Act; (iv) incorporation of a detailed schedule of penalties in the Act; (v) provision for an additional right of appeal for the assessee against the rectification order passed by the Gift-tax officer and also against the order

imposing fine for non-compliance with the summons; (vi) direct reference to the Supreme Court on questions of law on which different High Courts have given conflicting opinions; (vii) bar on representation of assessee in gift tax proceedings by former officers of the Income-tax department; and last but not least, assessment of persons leaving India in the year of assessment. These changes were recommended by the Direct taxation Inquiry committee.

I would now come to the changes which have been proposed to meet certain administrative difficulties which have been felt during the administration of this Act. Under the existing law, gift-tax assessment proceedings can be taken against the donor only and in the matter of recovery of tax, however, the donee may be made liable provided recovery cannot be made from the donor. This provision has been found inadequate to deal with a situation where the donor cannot be found or probably the donor has left the country and he is not available for even being served with notice of assessment. With a view to meet such a situation, which we have been coming across often, it is proposed to make the donee the assessee if the donor cannot be found. The liability of the donee will, however, be limited to the value of the gift received by him individually. As Members would appreciate, the donee is a beneficiary under the gift and it is not too much to treat him as an assessee where it is not possible to find the donor. This is not a novel provision because it is being found in the Gift tax Acts of countries like Australia and Japan. Recourse will, however, be had to it only in those cases—I would like to assure the House—only in those cases where all reasonable efforts to find the donor for the purpose of service of notice on him have proved to be of no avail. Then, also, at present, the liability of the donor for payment of the tax is limited to the proportionate amount of the tax on the value of the gift made to him. It is now proposed to

[Shrimati Tarkeshwari Sinha]
amend the existing provision by limiting the liability of the donee to the extent of the value of the gift made to him as on the date of the gift. Provision making the donor and the donee jointly and severally liable for payment of the tax under gift tax are found in Australia and Canada. In Japan, the donees alone are liable for assessment and payment of gift tax.

Sometimes, it becomes necessary for administrative reasons and also for convenience of assesseees to transfer a case from one Gift tax officer to another. Under the existing law, neither the Central Board of Revenue nor any Gift tax authority is competent to order such transfers and it causes lot of hardship to the assesseees. They can transfer, but they also have to transfer simultaneously the proceedings under the Income-tax Act. To remove the difficulties caused by the absence of such a provision, it is proposed to invest the Commissioner of Gift tax and the C.B.R. with power to transfer a case from one Gift tax officer to another.

From what has been stated above it would be clear that the proposed provisions, while bringing the provisions of the Gift Tax Act in line with the scheme of the Income-tax Act, 1961, do not operate harshly on anyone.

With these remarks, I move that the Bill be taken into consideration.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Gift-tax Act, 1958, be taken into consideration."

Shri Surendranath Dwivedy(Kendrapara): How much time has been allotted for this Bill?

Mr. Speaker: It is for the House to decide that, because no time has been allotted by the Business Advisory Committee,

Shri Bade (Khargone): Let it be 3 hours.

Shri Ranga: (Chittoor): It would not take 3 hours.

Mr. Speaker: If we finish it sooner, then it would be all the better.

Shri Daji (Indore): I think we shall be able to finish this by 3 p.m.

We have before us for consideration this Bill to amend the Gift tax. At the very outset, let me say that we generally agree both with the purpose and with the reasons for this amending Bill, and we do not feel that the amendments suggested are either unjust or too harsh. In fact, a Bill of this nature, or rather I should say, a much more comprehensive amending Bill, has been long overdue. When once the principle of a tax has been accepted, there should be no valid argument left for any possible loophole for avoidance of the tax. Therefore, if we plug the loopholes more firmly, or if we plug the possible loopholes, there should be no objection. Therefore, we see no reason to take any objection to any of the principles on which this Bill has been formulated and placed before the House for its consideration.

Allow me to go on record that when the Gift Tax Bill was initially discussed in this House, certain important questions were raised and at that time it was thought that after the Act had worked for some time Government would review the whole matter, perhaps *de novo*, and bring forward the necessary amending legislation. From that point of view, I am constrained to remark that I am solely disappointed by this amending Bill. We support it as far as it goes, but it does not go as far as it ought to go. For, one should think that by now, Government have had sufficient experience of the working of the Act, and they have sufficiently understood how the tax is dodged and avoided, and also whether the expected results from the tax are forthcoming or not forthcoming.

From a study of the published documents, one would suppose that

what was expected of the gift tax has not been fulfilled, and, therefore, it is time that Government tell the House why the expectations have not been fulfilled, and to what extent they have been belied. We would also like that Government should bring forward a sufficiently comprehensive amending Bill to help in fulfilling the objective with which the original Bill was introduced and debated upon in this House.

It is from this angle that we find that this Bill is rather disappointing. Government should also have taken into consideration the added fact that we are passing through an emergency, a period of emergency or war conditions, when greater national efforts are required for raising the resources of Government. This Bill as has been presented before us would have come forth even if this emergency had not existed. How far has it been reflected in this Bill? It is a pertinent question. If you view the Bill from that angle, you will be disappointed. I have here with me some figures of the arrears which the Government were unable to collect.

Shri Tyagi (Dehra Dun): Are they income-tax arrears?

Shri Daji. Both income-tax as well as gift tax. On 1-4-1962 the income-tax arrears are Rs. 149.42 crores. On 1-3-1961—later figures are not available—the gift tax arrears are Rs. 16 lakhs. These are a standing indictment of the inefficiency and inability of the Government even to collect tax which is due legally. This is so even at a time when every penny is required; every rupee can be converted into a bullet to push back the Chinese across our frontiers. Even if one single rupee is held back from payment at this time it is an anti-national act and such a person should be punished even under the Defence of India Act. The House has a right to know what energetic steps are being taken in order to collect the tax arrears and accumulations. We certainly wel-

come the new idea. If the donor is not available the donee should be made responsible because he has taken advantage of the gift. He has partaken of the cake but he could not refuse to foot the bill. Even if the donor does not choose to...

Shri Tyagi: Not only he, she also.

Shri Daji: He includes she also.

Mr. Speaker: So far as Shri Tyagi is concerned, it does not include.

Shri Daji: I was saying that this provision was necessary. Are all the arrears only because of this reason or is this the sole or the main reason why arrears have accumulated? If not what are the other reasons or difficulties which the Government are faced with? If there are other difficulties why not the Government plug them also? The Bill ought to have been much more comprehensive. We are all engaged in a mighty effort and it is time the Finance Minister came with bold measures telling the nation about the necessary resources to be tackled at this time. This Bill or the other Bills given notice of are really timid and are out of tune with the times through which we are passing. The other day we had unanimously adopted the Defence of India Bill. Rules will be framed thereunder. I strongly urge that this is the time when the Finance Minister should come with the Defence of India tax or you may call it a national defence tax, so that the extra profits being earned in this emergency could be mopped adequately. Even otherwise, in war conditions, all the Governments levy excess profits tax. Government should not hesitate to do that. Gifts and donations are welcome. From the boot polishing boy to a factory owner, everyone is donating. That is what it ought to be. But one is constrained to remark that those who have abundance are not giving abundantly. From my own province, I am reporting that the textile workers of my State have given Rs. 2.50 lakhs cash down. The workers have given

[Shri Daji]

Rs. 2,5,000 but the millowners have come forward only with a paltry sum of Rs. 1 lakh. And then, despite the best efforts of the hon. Labour Minister who said that when the workers work for an extra Sunday for national defence, that day's profit should go to national defence, in many places including my own, the owners of factories and mills are refusing to donate that extra day's profit to the national defence. So, while the workers work and donate their wages and create values, and while they donate their wages to the national defence, the owners are reaping profits. This shows their psychology and mentality. So, while voluntary donations should be welcome, such a big responsibility, such a huge liability which the nation has today professed or taken up cannot merely be based on voluntary contributions. I welcome it, but, at the same time, let the Government come forward with a bold measure, levying a tax, as I said, called the national defence tax. To begin with, at least you should tax 50 per cent of the profits of industrial enterprises which are not covered by the small-scale industries. Leave aside the small-scale industries but for those industries which cannot be said to be small industries, the Government should levy at least 50 per cent tax. Let them all sacrifice, if not their blood, their toil. Blood will be sacrificed by the common man, the workers, the peasants and the labourers. Therefore, while welcoming the general tenor of the measure, I would rather say that this is a halting measure. I am sure that the House of the People has given the Government a much stronger sanction than this Bill warrants, and therefore, a much bolder measure should have been brought forward and it should be expected. In that sense, it is rather disappointing to see that this measure is a halting one. I would expect that even in reply to this debate, the Finance Minister should announce that such a bold measure as I suggest is at least on the anvil of

the Ministry or the Department, so that the nation may know that the wherewithals of this mighty national effort are also thought of and planned by the Government. While the people have put their shoulders to the wheel, while they stand shouldered to shoulder, I want the Government to rise to the occasion and not grudge to utilise fully the mighty sanction that the House has given, and to see that they utilise it fully in order that we can effectively fulfil the national responsibility.

Shri Ranga: I have only a very few things to say about this measure. I wish that the Government, instead of continuing their vain effort—

Shri Bade rose—

Mr. Speaker: The Swatantra Party has informed me that Prof. Ranga was to be called first. I have got it in writing.

Shri Ranga: I only wish to say that the Government should have learnt, from their bitter experience, about the failure of this gift tax as also the expenditure tax to raise adequate sums through the implementation of these measures. They have raised so far only Rs. 89 lakhs in 1960-61, Rs. 85 lakhs in 1961-62 and they expect to raise only Rs. 85 lakhs in 1962-63. Is it really worth-while to have this on the Statute-Book and thereby troubling their administration in regard to its implementation and causing inconvenience and trouble and worry to lakhs and lakhs of people who would like to make some gifts but whose charitable instincts and incentives are being inhibited by the existence of this tax? They are able to reach a much smaller number in order to collect this tax. A batch of these taxes was introduced as a result of the suggestions made by an English professor and economist, and at that time, our Government was thinking that by the introduction of these taxes they would be promoting their socialist pattern of society. But now, in actual practice, so far as the expen-

diture tax is concerned, they have themselves confessed that it has been a failure, and it would be better for the Government and the nation as a whole that this tax should also be dropped.

Shri Surendranath Dwivedy: It is wrong for them to have dropped it.

Shri Ranga: That is your view. But anyhow the Parliament has given its sanction, and that tax was dropped. I personally feel that the time has come when, especially during this emergency, this tax should be dropped, for the very same purpose for which my hon. friend wanted the incidence of this tax to be increased and its mischief to be spread to larger and larger groups of people. I would like this tax to be dropped at the earliest possible moment. Even as it is, Government has come forward with the suggestion that so far as the contributions to the national defence fund and various other funds that will come to be started hereafter in order to augment the resources for our national war effort are concerned, they want to exempt those contributions from the gift-tax. The incidence of taxation in general is going to be increased very soon. In what taxes, to what extent the incidence is going to be increased is a secret in the possession of the Finance Minister, which we would not know. But I am sure most of these taxes would not escape their attention. Anyhow, people have to pay so much more than what they are paying today. Under these circumstances, I think, it would not be proper to harass them by this tax also, which has yielded so little in the past and which is likely to yield so little in future also.

There were some advocates of a single tax only. I do not agree with them. But that does not mean that we should go on having a proliferation of different kinds of taxes and in that way increase the bureaucracy on one side and lessen its efficiency on the other, creating various other incon-

veniences, embarrassments and troubles to the tax-payers. That is why I am keen that Government should drop this tax.

My hon. friend (Communist) was talking about the tax evaders. Tax evasion begins from the moment the final decision is given and not from the moment the decision is given by the original income-tax officer or the tribunal. Above the tribunal if there is an appeal lying with the High Court and above that if there is an appeal lying with the Supreme Court, then only from that stage onwards I would consider that taxes which have been assessed properly according to law are not being paid. We would like information to be given at the appropriate moment, not necessarily now, by the Minister concerned as to how much money is now in arrears in regard to taxes that have been finally settled to be paid by the assesseees and yet have not been paid and for what reason. It is only thereafter that we can take the department to task for not having collected it expeditiously.

Mr. Speaker: The law requires that payment should be made soon after the assessment within the prescribed period, even if an appeal is pending.

Shri Ranga: I am thankful for the information. But how is it that once assessment is made and that fact is notified to the payees, money is not being collected? If the money cannot be collected because of some circuitous legal processes, then it cannot be treated as having been assessed properly. There are legal processes; what they are, it is not for me to go into now. If there are legal processes which the assesseees can take advantage of in order to delay payment to the Ministry concerned, then they are entitled to do that, because the law gives them that permission. On the other hand, if there are no such facilities and yet, there are arrears, there is something wrong with the Government and I

[Shri Ranga]

would like Government to look into that matter.

Shrimati Yashoda Reddy (Kurnool)
Mr. Speaker, Sir, just now the hon. Member who preceded me has said, "Please do away with this tax". I would like to say at the very outset that the introduction of gift-tax was one of the measures to integrate our tax-structure, as far as direct taxation was concerned.

13 hrs.

Sir, when the Estate Duty was levied it was felt that there were many loopholes left, and to plug those loopholes this gift tax was introduced. I know there are many people—a certain section of those people are also represented here—who think that all taxes are harassing in nature, they stop investments and they serve as a sort of check on the initiative spirit. And, as all taxes are unpopular, even this tax seemed to be unpopular at the time of introduction.

Just now my hon. friend there was saying that there should have been one tax and not a set of hundred different taxes. It may be that what he meant was that one graded income tax is sufficient to establish equity. They think that this gift tax, this wealth tax and other taxes have caused unnecessary irritation and harassment. But, Sir, in a developing economy as in India where all financial resources are required to be tapped, we may have any amount of indirect taxation but we feel that the heavy burden of it usually falls on the masses and on the wealthy minority, sometimes we feel, the taxation is not enough.

Sir, in a developing economy privately owned wealth grows rapidly and sometimes even very unevenly. Professor Kaldor said, if I remember right, somewhere, that in India the bulk of national wealth is and will continue to be in the private hands.

Even if the Government takes in some industries or some property into the public sector, the money that is paid by way of compensation is so great that the growth of public property is compensated by, this public indebtedness.

Sir, the savings of a community are sometimes more unevenly distributed than the income. Unless it is checked by some public policy, the wealth of the largest property holders tends to grow faster and faster. It is with this principle in view that the Government has brought this gift tax. My hon. friend Shri Daji said that when we have accepted this in this House we have accepted the principle and we should not now question the principle or the validity of this tax. I certainly agree with him, and I congratulate the Ministry for having brought this amending Bill.

But there is one thing that I would like to suggest. It is very correct that when the donor cannot be brought to book the donee should be taxed. The suggestion that I would like to make is, when they make a donee liable to pay the tax—of course, they have given a concession saying that the tax should not exceed the gift that he gets—let not all donees pay the same flat rate. Supposing there is a rich man who gets a gift and there is a poor man who also gets a gift of an equal amount, let not the two donees pay the same amount of tax. Let the taxable capacity of a rich man who owns properties worth a lakh of rupees and getting a gift of Rs. 1 lakh and a poor man who owns nothing of his own and who gets Rs. 1 lakh as gift be assessed. The taxable capacity of these two persons is not the same even though the same amount would have been taken by them from the donors. When you tax the donee, let not a flat rate be introduced. Let the taxable capacity considering his total wealth including the gift be taken into consideration and the tax fixed. That is the only practical suggestion that I would like to offer in this.

Mr. Speaker: How will that be possible at all?

Shrimati Yashoda Reddy: The Government should take an assessment of his property.

Mr. Speaker: It is only because the donor cannot be found that the amount is being taxed in the hands of the donee.

Shrimati Yashoda Reddy: The income-tax officer can find out what property is held by the donee and he can proportionately fix the rate. There is no justification for introducing a flat rate on all the donees. That is what I feel. I feel that there should be a slight discrimination between taxing a rich donee and a poor donee. That is one humble suggestion that I would like to make. Otherwise, this amending Bill which the Minister has introduced is quite welcome.

Then, as has been stated by others, since India is faced with an emergency today, Government should be a little more strict and careful in recovering all the taxes. They should not excuse anybody, no matter what the position such a person would be holding. Every pie of tax evaded today means that much of additional taxation for meeting the emergency.

Shri Ranga suggested the abolition of the gift tax because we need a lot of money for the national defence fund. Instead of abolishing the tax, I would suggest that if any rich man wants to give a gift to the national defence fund, let it be tax-free. Let him donate as much money as possible in the form of gift to the national defence fund; let it not be taxed; let it be tax free.

That is all that I have to submit. I whole-heartedly welcome this measure. The Gift-tax Bill is a welcome measure in the present social and economic set up of the country.

Mr. Speaker: The second Lady Member from Andhra.

2340(Ai)LS—2.

Shri K. C. Sharma (Sardhana): Mr. Speaker, Sir....

Mr. Speaker: How did he get the idea that he was a lady Member from Andhra?

Shri K. C. Sharma: I am sorry.

श्रीमती लक्ष्मीबाई (सिकन्दराबाद)

अध्यक्ष महोदय

अध्यक्ष महोदय : जरा आगे आ जाइये सुनाई नहीं पड़ेगा ।

श्रीमती लक्ष्मीबाई : मैं जोर से बोलूंगी ।

इस गिफ्ट टैक्स बिल को जिस लेडी मिनिस्टर ने यहाँ पर पेश किया है, मैं उनको बधाई देती हूँ ।

इस में बहुत सी दिक्कतें हैं । हमारे भाई जो अफोर्जिट में बैठते हैं, उन्होंने उन दिक्कतों का जिक्र किया है । जहाँ तक इस टैक्स को वसूल करने का सम्बन्ध है, पहले तो बहुत दिक्कतों का सामना करना पड़ता है और इसकी वसूली में भी बहुत ज्यादा खर्चा हो जात है । आमदनी तो बहुत कम होती है लेकिन खर्चा बहुत ज्यादा हो जाता है । इसमें कई लूपहोल्स भी हैं, जिन के कारण जिसको यह टैक्स अदा करना होता है, वह बच कर निकल जाता है । आसानी से यह टैक्स वसूल नहीं किया जा सकता है ।

मैं आपको बतलाना चाहती हूँ कि आप अपने बजट पपर्ज को ही देखें । आपको पता चल जायगा कि बहुत ज्यादा रुपया इस टैक्स की वसूली में लग जाता है । आपने अपने बजट में ८० लाख का एस्टीमेट किया था । लेकिन रिवाइज्ड बजट ६ ८५ लाख वसूल हुआ । लेकिन ५ लाख वसूल करने में आपका १ लाख १६ हजार रुपया खर्च हो गया । यह उचित नहीं है । आप बिल का एमंडमेंट तो लाये हैं और इससे सहूलिय भी होगी । लेकिन आपको अपने आफिसस

[श्रीमती लक्ष्मी बाई]

के एडिप्ट्यूड में भी तबदीली लाने की आवश्यकता है। उनमें भी एमेंडमेंट लाने की आवश्यकता है। इस संकटकाल में जो कोलैक्टिंग डिपार्टमेंट है, उनके जो आफिसर्स हैं, उनको चाहिये कि वे अच्छी तरह से टैक्सों की वसुली करें। उनके लिये कोई विल लाने की जरूरत नहीं है। लेकिन अगर उन्होंने अच्छी तरह से अपने कर्तव्य को निभाया तो टैक्स कोलैक्ट करने में सहायित होगी और बहुत सा काम बन सकता है। इसमें लूपहोल ज्यादा है। एक केस में कितना खर्चा होता है इसका अन्दाजा नहीं लगता क्योंकि इसका प्रोसीज्योर बहुत पेचीदा है।

इसमें यह प्रोवीजन है कि एक आदमी अपनी बीवी को एक लाख का गिफ्ट दे सकता है जिस पर टैक्स नहीं लगेगा। लेकिन अगर किसी के एक से ज्यादा बीवियां हों तो क्या वह उनमें से हर एक को एक एक लाख गिफ्ट दे सकता है जिस पर टैक्स नहीं लगेगा, यह बात इसमें साफ नहीं की गयी है। यह ठीक है कि सरकारी कर्मचारी एक से ज्यादा शादी नहीं कर सकते, लेकिन मेरे गांव में ऐसे लोग हैं जिनके दो दो और तीन तीन बीवियां हैं। तो यह साफ होना चाहिये कि क्या ऐसा आदमी अपनी हर बीवी को एक लाख गिफ्ट दे सकता है और उस पर टैक्स नहीं लगेगा। अगर वह हर एक को इतना रुपया दे सकेगा तो फिर एस्टेट ड्यूटी में बहुत कम रुपया वसूल होगा। इस लिये मेरा सुझाव है कि इसमें ऐसा प्रावीजन होना चाहिये कि एक आदमी अपनी बीवी को एक लाख तक दे सकता है जिस पर टैक्स नहीं लगेगा। लेकिन अगर उसके एक से ज्यादा बीवियां हों तो भी इतने से ज्यादा नहीं दे सकेगा और वे बीवियां उसी में से बांट लें।

एस्टेट ड्यूटी में इस साल ६ लाख १२ हजार वसूल होने का एस्टीमेट था लेकिन १२ लाख ४ हजार वसूल हुआ। इस पर

खर्च का एस्टीमेट ६ लाख ३२ हजार था जो कि बढ़ कर ८ लाख ७८ हजार हो गया। इसका मतलब यह हुआ कि आपने एस्टीमेट से दो लाख ६२ हजार ज्यादा वसूल किया लेकिन ऐसा करने में आपने २ लाख ४३ हजार रुपया खर्च किया। तो यह खर्चा बहुत ज्यादा है। इसको कम करना चाहिये।

इसमें आपने यह प्रावीजन रखा है कि अगर डोनर भाग जाय और न मिले तो डोनी से टैक्स वसूल किया जाये। अब आप गरीब और अमीर दोनों प्रकार के डोनोर्स से बराबर टैक्स वसूल करेंगे। मेरा सुझाव है कि जो अमीर डोनी है उससे उसकी और प्रापर्टी को ध्यान में रख कर टैक्स वसूल किया जाना चाहिये ताकि गरीब और अमीर पर बराबर टैक्स न पड़े जाये। इस विल को इसके लिये अमेंड करना चाहिये।

आपने अपील के लिये चार साल की मुदत रखी है यह अच्छा है, लेकिन इसमें यह प्रावीजन है कि जब तक पूरे केस के डिटेल्स न दे दिये जायें तब तक उसको दस रुपया रोज देना पड़ेगा। यह बहुत ज्यादा है। इसको कम किया जाये।

अगर कोई अफसर ज्यादा टैक्स ले लेता है उसका रिफंड मिलने की व्यवस्था है और उसके लिय आप खर्चा भी नहीं लेते। और उस पर ६ परसेंट सूद भी देते हैं। यह बहुत अच्छा है। इस वास्ते में गवर्नमेंट ब्रो बंधाई देती हैं।

एक छोटी सी बात यह है कि एक आदमी अपनी लड़की को दस हजार तक गिफ्ट दे सकता है जिस पर कोई टैक्स नहीं लगेगा। लेकिन मैं जानना चाहती हूँ कि अगर किसी के कई लड़कियां हों तो क्या वह उनमें से हर एक को दस हजार गिफ्ट दे सकता है और उस पर कर नहीं लगेगा। यह बात समझ में नहीं आती। इसको साफ किया जाना

चाहिये कि वह कितनी लड़कियों को दे सकता है ।

एक भाई कहते हैं कि गिफ्ट टैक्स हटा दिया जाये । यह ठीक नहीं है । इसका रखना चाहिये । आपने जो मूल्यांकन नीति है वे ठीक हैं । अगर कोई आदमी गवर्नमेंट को कालिज आदि के लिये देता है या लोकल सेल्फ गवर्नमेंट को गिफ्ट देता है तो उस पर टैक्स नहीं लिया जायेगा, यह अच्छी बात है ।

इसमें बैचलर के लिये कोई गिफ्ट देने का प्रावधान नहीं है । मेरा सुझाव है कि जिस प्रकार शादी वाले को अधिकार है उसी प्रकार बैचलर को भी कुछ गिफ्ट देने का अधिकार होना चाहिये ।

इतना कह कर मैं लेडी मिनिस्टर को धन्यवाद देती हूँ कि वह इस प्रकार का बिल लायीं । यह बहुत अच्छा है । इसके प्रोसीज्योर को और छोटा करना चाहिये और अफसरों को ज्यादा एफिशेंट होना चाहिये । अभी तो कुछ अफसर लोगों को बताते हैं कि वे किस प्रकार इस टैक्स से बच सकते हैं । ऐसा होगा तो फिर इस कानून को लाने से क्या फायदा होगा । ऐसा नहीं होना चाहिये ।

श्री ० ला० वर्मा (सीतापुर) : माननीय अध्यक्ष महोदय, आज जो बिल आया है मैं उसका समर्थन करता हूँ ।

आज सरकार का कर्तव्य है कि देश के हर वर्ग को, हर प्राणी को खुशहाल बनावे, न कि ऐसा कानून बनाये और ऐसी धारायें लगाये जिससे जनता में वैचैनी फैले और लोग बेईमानी के रास्ते पर चलने के लिये तैयार हो जायें । इस बात को सामने रखते हुये

सरकार का ध्यान गिफ्ट टैक्स अमेंडमेंट बिल की धारा ६ पेज २१ की ओर दिलाना चाहता हूँ । उसके अनुसार टैक्स डोनर और डोनी दोनों को देना होगा, दूसरे विधवाओं और नाबालिगों से भी शत प्रतिशत टैक्स

वसूल किया जायेगा और तीसरे डोनर न मिलने पर सारा टैक्स डोनी से वसूल किया जायेगा । ये तीनों बातें अनुचित हैं ।

इस सम्बन्ध में सुझाव हैं कि टैक्स डोनर से ही वसूल किया जाना चाहिये, डोनी से नहीं और उसकी दर २५ परसेंट से ज्यादा नहीं होनी चाहिये, दूसरे विधवाओं और नाबालिगों से भी, जिनकी कोई आमदनी वा जरिया न हो, टैक्स न लिया जाये, और तीसरे अगर डोनर न मिले तो डोनी से आधा टैक्स वसूल किया जाये, उससे ज्यादा नहीं ।

यह माना कि इस वक्त सरकार को पैसे की जरूरत है क्योंकि देश में काफी रक्षा कार्य हो रहा है । लेकिन इसके लिये जनता स्वयं ही उचित ढंग से ज्यादा से ज्यादा दे रही है । मुझे अपने देशवासियों पर विश्वास है कि अगर सरकार को और ज्यादा धन की इस काम के लिये आवश्यकता होगी तो वे देगे और सरकार की मांग को पूरा करेंगे । मैं सरकार को चेतावनी देना चाहता हूँ कि वह कोई ऐसा कदम न उठाए कि जिससे जनता का विश्वास कम हो जाये ।

श्री मोहन स्वरूप (पीलीभीत) : अध्यक्ष महोदय, मैं इग बिल का स्वागत कर रहा हूँ । यह बिल दो चीजों को रेगुलेराइज करने के लिये रक्खा जा रहा है । एक तरफ तो इनकम टैक्स एक्ट, १९६१ के संदर्भ में गिफ्ट टैक्स में जो कमियां रह गई हैं उन को पूरा करने के लिये और दूसरे जो डाइरेक्ट टैक्स है उन में जो लूपहोल्स रह गये हैं उन को प्लग करने के लिये । यही इस बिल की मंशा है ।

जैसा कि स्टेटमेंट आफ आब्जेक्ट्स एंड रीजन्स में दिया गया है इस से यह होगा कि एक गिफ्ट टैक्स आफिसर का मुकदमा दूसरे गिफ्ट टैक्स आफिसर के पास ट्रांसफर हो सकेंगे और दूसरे इस बिल में जो खास चीज रक्खें

[श्री मोहन स्वरूप]

गर्द है वह ४ परसेन्ट इन्टरेस्ट के बारे में है। अगर कोई असेसी अपना टैक्स देने में देर करता है तो उसको ४ परसेन्ट इन्टरेस्ट देना होगा। उसी के साथ साथ रिफंड का भी प्राविजन इस में रक्खा गया है। अगर किसी तरह से कोई गलती हो गई है असेसमेंट में और उस का सुधार किया गया है किसी अपील की तहत, और उस के फलस्वरूप जो रिफंड देना है अगर उस में देरी हो जाये तो गवर्नमेंट को उसे ४ परसेन्ट इन्टरेस्ट देना होगा। इस तरह से हम देखते हैं कि जो प्राविजन हमारे सामने हैं वे बहुत अच्छे हैं, मुनासिब हैं, लेकिन इन बिल में जो परिवर्तन होना चाहिये था, गिफ्ट टैक्स में जो आधारभूत परिवर्तन लाने चाहिये थे, वे नहीं लाये गये हैं।

इस बिल में एग्जम्पशन्स बहुत दिये गये हैं। मन्त्रालय अगर किसी की तरफ से अपनी पत्नी को १ लाख रुपये का गिफ्ट दिया जाये तो उस पर छूट है। इसी तरह से कम्पनियों को और दूसरी चीजों को छूट दी गई है। मैं चाहता हूँ कि यह छूटें कम की जायें और इस तरह के परिवर्तन आश्चर्य इस में लाये जायें जिस से कि एग्जम्पशन्स कम हों। अगर यह एग्जम्पशन्स कम नहीं होते हैं तो इस एक्ट की जो मंशा है वह खत्म हो जायेगी। इस की मंशा यह है कि जिन के पास बड़ी बड़ी जायदादें हैं वह अपनी जायदादों को छोटे छोटे हिस्सों में तब्दील न कर दें और इनकम टैक्स से बच न सकें। इस में जो एग्जम्पशन्स की लम्बी लिस्ट दी गई है उन को मैं पढ़ना नहीं चाहता, लेकिन अगर उस में परिवर्तन नहीं किया जाता है तो मैं समझता हूँ कि इस एक्ट की मंशा बिल्कुल खत्म हो जायेगी। यही नहीं, इसी के साथ साथ इस में इंडिविजुअल और कम्पनियों में फर्क रक्खा गया है। वह फर्क खत्म होना चाहिये।

दूसरी चीज जिस की तरफ मैं तबज्जह दिलाना चाहता हूँ वह रिलिजस चेरिटीज के मुनासिब है। मैं इस के विरुद्ध नहीं हूँ कि चेरिटीज दी जायें। मेरी यह मंशा नहीं है। लेकिन आज हमारी देश सेकुलर है। इस में मजहब की बात चीत होना, सिख, हिन्दू या मुसलमान की बात चीत होना और इस तरह की चेरिटीज को ज्यादा महत्व देना अच्छी बात नहीं है।

इसी के साथ साथ मैं यह चाहता था कि इस में कुछ और चीजें भी आ जातीं। चूंकि यह डाइरेक्ट टैक्सेशन है इस लिये सब से पहले मैं चाहता हूँ कि इनकम की परिभाषा हो जाये, मुस्तकिल तौर पर। आखिर इनकम किस को कहते हैं। इसी के साथ साथ जो टैक्स विरा इनकम है उस की भी मुस्तकिल तौर पर परिभाषा होनी चाहिये। हमारे सामने जो डाइरेक्ट टैक्सेज है उन की मंशा यह है कि बजटरी डिफिशिएन्सी जो है उन को पूरा किया जाये और सरकार के लिये ज्यादा से ज्यादा साधन पैदा किये जायें। लेकिन अगर कोई परमानेंट स्ट्रक्चर टैक्स का नहीं बनता तो आगे के लिये दिक्कत होगी और हमें इस में और परेशानी होगी। इस मिलमिने में प्रोफसर काल्डोर लिखते हैं :

"I am strongly of the opinion that India should not at the present stage impose taxation on capital and income at heavier rates than I have suggested here."

उस रेट का भी सवाल होना चाहिये। प्रोफसर काल्डोर ने कहा है कि रुपये में ७ आ० से अधिक का रेट नहीं होना चाहिये किसी डाइरेक्ट टैक्सेशन में या किसी भी टैक्सेशन में। इस के साथ साथ प्रोफसर काल्डोर ने एक इम्पार्टेंट बात कही है :

"In India the number of persons liable to income-tax is probably less than one million or a little over 1 per cent of income earners."

१ परसेन्ट ही मालदार लोग हूँ। अगर उन पर किसी तरीके से कुछ ज्यादा भार पड़ जाता है तो उस से कोई बहुत ज्यादा असर उन पर पड़ने वाला नहीं है। लेकिन जो छोटे दर्जे के लोग हैं या जो औसत दर्जे के लोग हैं उन पर अगर टैक्स का प्रभाव ज्यादा पड़ता है तो उन की आमदनी पर बड़ा असर पड़ेगा। अभी हमारे सामने मुल्क में इम-पॉन्सी है। मुल्क बड़ खतरे से गुजर रहा है हम देखते हैं कि बहुत मामूली मामूली लोग जूते पर पालिश करने वाले और दूसरे छोटे छोटे कार्य करने वाले अपनी जेबों से पैसा निकाल कर दे रहे हैं और अपनी आवश्यकताओं को कम कर के डिफरन्स फंड में रुपये दे रहे हैं। उसी के साथ साथ जो औसत दर्जे के लोग हैं वे बड़ी मात्रा में रुपये दे रहे हैं, लेकिन जो मालदार लोग हैं, कैंपिलिस्ट हैं, जिन के पास घरों खरबों रुपये भरे हुए हैं, उन की तरफ से जो सहायता होनी चाहिये थी वह नहीं हो रही है और जो रुपये आने चाहिये थे वे नहीं आ रहे हैं। इस लिये मैं समझता हूँ कि जो हमारा टैक्स स्ट्रक्चर है उस में आधारभूत परिवर्तन होना चाहिये और महज छोटे लोगों को या औसत दर्जे के लोगों को दिक् करने से काम नहीं चलेगा। जब तक जो बड़े लोग हैं उन पर आप का प्रभाव न हो और उन्होंने जो सम्पत्ति इकट्ठी कर रखी है, वह उन के पास से नहीं निकलेगी, उस वक्त तक कोई लाभ इस ऐक्ट का नहीं होगा। इस लिये यहाँ तक डाइरेक्ट टैक्सेशन का सवाल है, उस पर अच्छी तरह से सोच विचार कर के हम को कदम उठाना चाहिये।

इसी के बाद हमारा एक्स्पेंडिचर टैक्स है। पिछले बजट में हमारे फाइनेन्स मिनिस्टर साहब ने उसे खत्म कर दिया था क्योंकि उस से कोई ज्यादा लाभ नहीं हो रहा था, लेकिन जो नये टैक्स हैं, इनकम टैक्स और दूसरे टैक्स, उन को हमें अच्छी तरह से सोच समझ कर लागू करना होगा।

इसी के साथ हम देखते हैं कि टैक्स इवेजन बहुत हो रहा है। टैक्स इवेजन के लिये मौजूदा बिल में कोई सुझाव नहीं रखा गया है। अभी श्री त्यागी जी ने टैक्स इवेजन के सिलसिले में एक बहुत मोटा किताब लिखी है। उन्होंने टैक्स इवेजन के कांजेंज बतलाये हैं और उन को दूर करने के लिये सुझाव दिये हैं। उन्होंने टैक्स इवेजन को दूर करने के लिये जो चीजें बतलाई हैं उन की तरफ में सरकार का ध्यान दिलाऊंगा। इस इवेजन को रोकने के लिये अधिक से अधिक प्रयत्न किये जाने चाहियें।

इसी के साथ साथ जो टैक्स कलेक्टिंग मशीनरी है उस को भी हम को स्ट्रीमलाइन करना चाहिये इवेजन को रोकने के लिये और टैक्स की वसूलयावी के लिये। डाइरेक्ट टैक्सेशन को ठीक तरह से चलाने के लिये निहायत आवश्यक है कि हम टैक्स कलेक्टिंग मशीनरी को नये सिरे से आर्गनाइज करें। यह जो टैक्सेज का मामला है वह बहुत काम्प्लेक्सिटी है और उस के असेसमेंट में और वसूल करने में जो टैक्स पेअर हैं उन्हें बड़ी दिक्कत होती है, इग लिये जो टैक्स कलेक्टिंग स्टाफ है उस को अच्छी तरह से हमें आर्गनाइज करना होगा।

मैं अर्ज कर रहा था कि वास्तव में यह जो प्राविजन्स हैं हमारे सामने में उन का स्वागत कर रहा हूँ। उन पर मुझे कोई ऐतराज नहीं है। लेकिन मैं यह जरूर चाहता हूँ कि डाइरेक्ट टैक्सेशन पर सरकार फिर से विचार करे और गिफ्ट टैक्स ऐक्ट में जो कमियाँ हैं उन को दूर करने के लिये अगर कोई अमेंडमेंट लाने हों तो उन पर अच्छी तरह से विचार किया जाये ताकि हमारा मतलब हल हो सके और जो मंशा इस ऐक्ट की है वह खत्म न हो।

Shri Himatsingka (Genda): Mr. Speaker, Sir, The Gift Tax (Amendment) Bill is a necessary measure in order to bring it in line with the

[Shri Himatsingka]

Income-tax Act that has been passed by this House. I am glad, Sir, that opportunity has now been taken to introduce one or two salient measures which were thought necessary.

Sir, I just want to draw the attention of the Hon'ble Minister to Clause 16, introducing a new section, namely, Section 21A. A suggestion was made by Hon'ble Member, Shrimati Yashoda Reddy that the tax when realised from the donee should be dependent on the position of the donee. That cannot possibly be provided in the Act. But, I suggest that the amount that will be realised from the donee should be limited proportionately to the tax on the value of the gifts made to a particular donee. Sir, supposing a donor gives to a number of persons different amounts of money, say, if the tax amounts to Rs. 10,000 and certain gifts are of bigger amount, then, the whole tax should not be realised from one donee but it should be realisable only to the extent of the proportionate amount of tax that is leviable on the amount given to him. Then, there will be no injustice and no heart-burning also. Therefore, if there is a possibility of that suggestion being accepted by the Hon'ble Minister, I request that that might be taken into consideration, to limit the amount of tax that can be realised from the donee proportionately to the amount that would be leviable on the amount paid to the particular donee.

As regards certain remarks made by Shri Daji, in season and out of season certain Members want to condemn the Government for not realising taxes. The present set-up of the Act itself is such that there is no question of the taxes that are being levied from time to time being in arrears at all. As soon as an assessee files a return, the officer is entitled to accept it and tax the assessee on the amount of the return filed by him and realise that amount and later on make the final assessment. Apart from that, an assessee has to pay in advance

the amount on the basis of the last assessment. Therefore, there is no question of arrears being allowed to accumulate unnecessarily.

The hon. Minister has often explained the figures that are trotted out from time to time as arrears. A very large amount included in that figure represents taxes imposed years ago on persons who have now got nothing and the taxes are unrealisable. The sooner the Ministry writes them off the better for them, so that they can show a cleaner picture. And I would suggest that whenever a person offers to settle such old cases by payment of some reasonable amount, steps should be taken to come to some sort of a settlement. This big amount of Rs. 149 crores represents, I am sure, a very large amount of that. Moreover, to call Rs. 16 lakhs arrears in Gifts Tax as a very big amount is a remark which must have been made on account of ignorance of facts.

There are cases, and I know of a case pending in the Supreme Court which involves an amount of Rs. 6 lakhs. Unless the case is decided upon, the tax could not be realised. There are certain provisions in the Act itself which give the appellate authorities powers to stay the realisation. So the Department cannot realise those taxes where the higher appellate courts have stayed the realisation. That explains, I think, the amount of Rs. 16 lakhs which is said to be in arrears.

Therefore, I support the principle of this Bill and request the hon. Minister to accept my suggestion to limit the amount that can be realised from the donee proportionately to the tax on the gift made to him.

Shri K. C. Sharma (Sardhana): I congratulate the hon. the Deputy Minister on bringing this amending Bill: it is necessary and it will have a salutary effect.

I would, however, like to make one observation, that this tax evasion has

a very significant effect not only on the finances of a country but also on the stability of a government. There was the time in the medieval ages when the stability of a State was jeopardised by restless feudal law. That time passed on. Education had its influence, and the stability of a State was jeopardised by the number of crimes and the nature of the crimes. Now has come a stage where the stability of a State is jeopardised by the number of tax evasions. Because, according to modern criminology the worst criminal against society is the tax evader because he employs intelligent people, who are destined to help the social progress and the cultural advancement of the educated classes, to help him to evade the taxes to the detriment of the progress of the people.

My hon. friend Mr. Ranga said that there should be only one tax....

Shri Ranga: I did not say that; I said I do not agree with that proposal.

Shri K. C. Sharma: You are a good legislator then.

So, tax evasion in India has taken two forms. In other countries too similar is the story but to a lesser extent. One is tax avoidance, and the other is tax evasion. Tax evasion is, of course, a crime all over the world, and it should be taken as a much more serious crime in India, because here it is the intelligent people who help in it. All over the world the Bar does not help tax evasion; in India it does. No Lawyer of some respectability, some eminence in his profession, would help in the matter of tax evasion or help the tax evader in a court of law. It is considered below something, against the ethics of the profession, because it badly tells against the progress of a country. But here in India....

Shri Bade (Kharagone): Sir, my submission is that it is very bad to say like that against the whole class of lawyers in India.

Shri Harish Chandra Mathur (Jalore): He represents that.

Mr. Speaker: He himself represents that class.

Shri K. C. Sharma: Here in India, unfortunately, the profession has not developed to that extent, though certain classes of people refuse to help.

So my respectful submission is that in India, the tax avoidance, if it comes to the verge of tax evasion, should be made punishable. Because, what happens is this. Suppose a man having an ordinary shop is caught. The shop is somewhere about a hundred paces from his house. And he keeps a car as being necessary for carrying out his business. That car is not needed to carry the owner to ten or hundred paces. That is one of the ways of tax evasion. Actually he keeps the car to take his children to the school etc.

Mr. Speaker: It may be that the car is needed by him to carry those articles which are purchased to the residences of the purchasers.

Shri K. C. Sharma: As regards the expenditure on the schoolmaster, he is simply shown as a typist for the shop. This sort of thing is a common instance in Indian tax evasion. It comes, as a matter of fact, to the verge of tax evasion. Actually it is tax evasion, not avoidance.

Therefore, another offence should have been introduced, namely of tax avoidance, because it is so very rampant and it badly affects the realisation of taxes.

With these words I support the Bill.

श्रीमती शशांक मंजरी (पालमऊ) :
प्रधक्ष महोदय, उपहार ऐक्ट के बारे में जो गवर्नमेंट बदली करना चाहती है उस में मुझे कोई ऐतराज नहीं है। अभी तक ऐसा है कि जो उपहार देता है गवर्नमेंट टैक्स उस से लेती है। लेकिन पिछले चार वर्षों में ऐसा मामू हूमा है कि उपहार देने वाले

[श्रीमती शशांक मंजरी]

की हालत ऐसी नहीं रहती कि गवर्नमेंट उस से टैक्स वसूल कर सके। कभी कभी ऐसा होता है जैसा कि बिल में बतलाया गया है कि उपहार देने वाला कहीं चला जाता है या उस की मृत्यु हो जाती है तो गवर्नमेंट वह टैक्स वसूल नहीं कर सकती है। इसलिये यह फंसला किया गया है कि उपहार जिस को दिया गया हो उस से टैक्स वसूल किया जाये। गवर्नमेंट को तो उपहार टैक्स के जरिये करीब ८० लाख रुपया सारे हिन्दुस्तान से वसूल होता है लेकिन उस के ऊपर खर्च भी ३ लाख करना पड़ता है। मैं यह समझती हूँ कि यह उपहार टैक्स घरेलू और निजी मामला है। गवर्नमेंट को तो कुछ विशेष टैक्स मिलता नहीं है। अभी मुझे यह नहीं पता है कि ८० लाख में से असल में कितना वसूल हुआ है और कितना पैसा चार साल में लेना बाकी है। इस के बारे में कल मेरी तरफ से फाइनेंस विभाग के कर्मचारियों से पूछ-ताछ की गई थी। लेकिन उन लोगों ने इस बारे में कुछ बताने से इन्कार कर दिया। इस के बारे में मेरा कहना यह है कि यह जो उपहार टैक्स है, यह तो घरेलू मामला है। इस लिये इस को खत्म कर देना चाहिये, क्योंकि हिन्दुस्तान में हम लोग जो धर्म-कार्य करते हैं, उन में दान दिया जाता है और इस टैक्स से उन में भी बाधा पड़ती है।

प्रध्यक्ष महोदय, इन शब्दों के साथ मैं आपको धन्यवाद देती हूँ।

Shri Shankaraiya (Mysore): I welcome this Bill. Most of the provisions of this Bill are intended to bring the Gift-tax Act in conformity with the Income-tax Act. But I wish that Government had brought forward a comprehensive Bill with some more stringent powers to prevent the loopholes and evasions.

The Gift-tax Act has been in force for the last three years now and if we look into the working of that Act, we

find that the income derived by way of gift-tax has not been enough or has not been up to the expectations when the Gift-tax was introduced. It falls far short of our expectations.

When the Gift-tax Act was enacted, it was enacted along with the Expenditure Tax Act and certain amendments to the Income-tax Act. The main object with which the Gift-tax Act was enacted along with the Expenditure Tax Act etc. was to prevent evasions and to plug the loopholes and to see that income is equally distributed among the people and that income does not concentrate in the hands of the rich. These were the three main objectives which we had. We have to see how far we have succeeded in achieving these objectives, and whether we have not completely failed in realising those objectives. That is why I say that Government ought to have brought forward a comprehensive Bill. We have now abolished the expenditure tax, and we have given liberty to persons to spend as much as they like. That is to say, one of the avenues which was contemplated for plugging the loopholes and for the prevention of evasion of taxes has been given up, and now only the Gift-tax Act and the Income-tax Act have been working. Of course, there is the Wealth Tax Act also.

13.43 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

As I said earlier, the income derived from the Gift-tax has not been enough, and it has not been in accordance with the estimates that we had made when the measure was first enacted by the House.

The main object in bringing forward the original Bill was, as I said, to see that the higher income groups were not allowed to concentrate money in their hands, and that the higher income groups did not take undue advantage of the economic situation in the country to make more and more

money or accumulate money in their hands.

According to the reports of the Reserve Bank and the Ministry of Finance themselves we see that according to their estimates, the money is concentrated in the hands of the richer people. The percentage or ratio is increasing. Instead of decreasing, the higher income group is increasing in ratio. So, I believe that there must be some defect in the working of the Income-tax Act and the Gift-tax Act. If Government had come out openly with the reasons why there has been an increase in the concentration in the higher income group, why there has been so much of evasion, and why there has not been a consistent increase in the income-tax or gift tax collections in view of the accelerated development that we are having in the country, that would have been better. I wish that Government had brought forward a more comprehensive Bill which would have been more fitting in with the times, especially during this period of emergency. I do not know how Government are thinking in regard to this matter. But it is high time that they should see that there is no concentration of money in the hands of the richer people, and that the goal of socialist pattern of society, where the income will be distributed over as wide an area as possible is put into effect.

In conclusion, I would submit that the working of the Gift-tax Act and the Income-tax Act has not been on proper lines. There are bound to be loopholes. I am sure Government must be aware of them, but they are not coming out openly with the facts. In the interest of the State and in the interests of the economic development of the country, strict and stringent measures should be taken by introducing amendments in the Gift-tax Act as well as in the Income-tax Act in order to see that the higher income group does not get concentrated, and that the provisions of the Gift-tax Act are implemented properly.

Shri Surendranath Dwivedy: I welcome this measure. I wanted to speak because I was inspired so to say, by the speech made by my hon. friend Shri Ranga, the leader of the Swatantra Party.

The arguments advanced by him against this Bill were rather very peculiar. He does not say that there has been no tax evasion. He does not deny that in this country there are rich people who have concentrated almost the entire economic power or the entire economic wealth in their hands, and he does not suggest how to break it, and whether the break is necessary or not. He does not go into those matters. The only argument that he advances is that since the administration is not efficient enough to check tax evasion, therefore, measures like this have no reason to be in the statute-book. That is rather a strange argument.

In this country, the gift tax, the expenditure tax and other taxes were imposed because we wanted to reorient the entire taxation system of the country. Therefore, we were all against the proposal to abolish the expenditure tax, and it was not as if the nation agreed to the proposal to abolish the expenditure tax. There was considerable opposition in this country to that proposal. As the previous speaker has pointed out, these are measures which should not be judged from the amount of collection that we have been able to make by taking recourse to the administrative machinery, but they were intended to act as a deterrent on the concentration of wealth in a few sections. If the machinery has not acted quite efficiently, it is because the executive which is in charge of this measure being worked successfully has not applied its mind to this to the extent necessary; perhaps there may be inhibitions in its mind also, or other influences may be working at that level. Therefore, in my opinion,

[Shri Surendranath Dwivedy]

to argue at this time that we should withdraw this measure is not proper.

On the other hand, I think that this is a golden opportunity. The emergency provides us with a golden opportunity to adopt and initiate measures to reorganise and reorient our entire economic system in such a manner that a real socialist economy can be established in this country. At present what is happening is that when we are trying to establish this economy, we are taking very halting measures. Sometimes, we are doubtful. And we do not want to annoy a section of the people whose support we want. But now, in this emergency, when we want more money, when crores of rupees would be needed, I do not know what other source is left in this country except borrowing from foreign countries or levying more burden on our peasants. I do not like any burden on the peasants at this juncture, because agricultural production has to be increased, and there is also resistance amongst the peasants to any increased burden on them. In some States, where they had a proposal to levy more agricultural taxes, rightly they have withdrawn it.

When the entire question of financial resources and how to raise money in this country should be seriously considered now, we should not do anything which will act as a deterrent so far as agricultural production in this country is concerned.

Therefore, it is necessary that we should divert our attention to other sources of taxation in this country, and this policy should be followed rigidly that people who are able to pay must be taxed and not those who are not able to pay. Which is the section which is in a position to pay? It is that section which will be hit by this tax. I think it is well and proper. Rather the Government, as has been stated earlier, should have come forward with a more comprehensive proposal as to now they are

going to tackle this since this Bill gives no other power. It is an amending Bill brought forward to make it conform to the Income tax Act as has been stated in the *Statesman of Objects and Reasons*. I do not think there should be any objection to this Bill and I welcome it.

श्री गौरी शंकर कक्कड़ (फतेहपुर) :

उपाध्यक्ष महोदय, यह विधेयक का जो संशोधन प्राया है, इसको पढ़ने से केवल यह पता चलता है कि चूंकि सन् १९६१ में इनकम-टैक्स में बढ़ोतरी हुई है और उसका सीधा सादा सम्बन्ध इस से है, इस कारण यह भी आवश्यक हुआ कि इस में भी इस तरह से संशोधन किया जाये। इसको पढ़ने से यह बिल्कुल पता नहीं चलता है कि किसी तरह का प्रयास इस और किया गया है कि इस संकटकालीन समय में अधिक से अधिक रुपया कहां से मिल सकता है, और जिन से टैक्सों का रुपया वसूल किया जाना है, उन पर नियंत्रण रखा जाये ?

इस संकटकाल के पूर्व अकसर देखा गया है कि इस प्रकार के सभी टैक्सों में बहुत बड़ा प्रोत्साहन ऐसे लोगों को मिलता रहा है जिन्होंने टैक्सों का वकाया अदा नहीं किया या जिन्होंने टैक्स अदा न करने के बहुत से रास्ते ढूँढ लिये थे। यह कहने में मुझे कोई संकोच नहीं है कि इस तरह के अधिकतर व्यक्तियों का सीधा सम्बन्ध हलिया पार्टी से होने के कारण उनको इस प्रकार का प्रोत्साहन मिलता रहा है। परन्तु अब इस संकट में मेरा यह विचार है कि कोई भी ऐसा विधेयक जिस का सम्बन्ध आर्थिक व्यवस्था से हो, अब कभी भी गदन में रखा जाये तो विशेष तौर से इस और ध्यान दिया जाये कि ऐसा तबका जिसके पास धन संग्रह हो गया है और जो रोज-रोज घनी होता जा रहा है, उसको किसी प्रकार का प्रोत्साहन न दिया जाये। उनकी तरफ से कोई भी इस प्रकार की कोशिश नहीं हो

रही है कि वे इस संकटकाल में विशेष तौर से सरकार को सहायता दे। सारे देश में धन इकट्ठा हो रहा है, तमाम देश में एक प्रकार की जागृति उत्पन्न हो गई है। परन्तु मैं आपके द्वारा अपने शासकों का ध्यान इस ओर आकर्षित करना चाहता हूँ कि जो साधारण प्रजा है, उस में तो विशेष तौर से आकर्षण पैदा हुआ है, वह सभी कुछ दे रही है, धन दे रही है, खून दे रही है और हर प्रकार से सहायता प्रदान कर रही है परन्तु मुट्ठी भर जो कैपिटलिस्ट हैं, उनकी तरफ से जितने सहयोग की आशा की जाती थी, वह सहयोग प्राप्त नहीं हो रहा है।

मेरे कहने का अभिप्राय यह है कि यह बात तो देखी जा चुकी है कि वॉलेंटरी बॉर पर, अपनी इच्छा से, अपने ही मत से, वे इस बात के लिये तैयार नहीं कि अपने धन को इस संकटकाल में लगायें। जब यह बात साफ हो गई है तब तो हमारे कदम बहुत सीधे उठने चाहियें। इस संकटकालीन समय में जो कानून भी आर्थिक व्यवस्था के सम्बन्ध में बनाया जाये, उस में विशेष तौर से इस बात पर विचार कर लिया जाये कि अगर कोई किसी प्रकार से भी टैक्स अदा न करने की बात को सोचता है, या इसके लिये कोई बहाना निकलाता है या उसके ऊपर टैक्स का बकाया रह जाता है, तो वह भी उमी प्रकार से दंडनीय है, जिस प्रकार से ज़ाब्ला फौजदारी की धारा ३०२ के मातहत अपराध करने वाला दंडनीय है या जिस को डकैती के जुर्म में दण्ड दिया जाता है, दण्डनीय है। मैं समझता हूँ कि इस समय इस प्रकार के जो अपराध करते हैं, जो इस प्रकार से धन बचाते हैं, इस प्रकार से टैक्स न देने की बात सोचते हैं उसको बहुत ही गम्भीर जर्मा माना जाना चाहिये। वे बहुत ही गम्भीर जुर्म कर रहे हैं। केवल अन्तर यह है कि डकैत रात को छिप कर किसी के मकान पर जा कर डाका डालता है परन्तु ये लोग दिन दुपहरे राष्ट्र के खिलाफ डाका डाल रहे हैं और उन पर

किसी प्रकार का कोई भ्रंश नहीं लगाया जा रहा है। हम गम्भीर समय से हो कर गुजर रहे हैं। इस समय हमारी सरकार को देश-रक्षा के लिये धन की आवश्यकता है। इस दृष्टिकोण को सामने रखते हुए, पुराने कानूनों में, पुराने नियमों में और विशेष तौर पर पुरानी पालिसी जिन लोगों के हक में थी, उस में एक प्रकार की तबदीली आनी चाहिये।

अभी हमको वार-बजट बनाना है। हमारे फाइनेंस मिनिस्टर साहब ने इस बात को जाहिर कर दिया है कि अपना वार-बजट हम दो तान महीने के बाद बनायेंगे तो उसमें टैक्सेशन की आवश्यकता होगी। यह राष्ट्र इस समय टैक्सों को अदा करने के लिए तैयार है, जान तक देने के लिए तैयार है। परन्तु राष्ट्र इस बात के लिये तैयार नहीं है कि सरमायेदार लोग टैक्सों से बचते चले जायें, बकायादार बनते चले जायें और फिर भी उनको प्रोत्साहन मिलता चला जाये, ऐसे लोगों को फिर भी राजनीति में आ करके बड़ी से बड़ी जगहों में पहुँचाया जाए। इस चीज को हम सहन करने के लिये तैयार नहीं हैं।

ऐसे तो यह संशोधन बहुत सीधा सादा सा है। परन्तु जो बातें मैंने अभी निवेदन की हैं, उन पर ध्यान दिया जाना चाहिये। विशेष तौर से इस संकटकालीन समय में आर्थिक व्यवस्था से सम्बन्ध रखने वाले विधेयक का जब संशोधन किया जाए, तो इन सब चीजों पर अच्छी तरह से विचार कर लिया जाये। इसमें जो प्रोसीजरल सुविधायें दी गई हैं, वे तो उचित ही हैं। मैं उनका स्वागत करता हूँ। इसमें जो यह प्रोवाइड किया गया है कि डोनी से भी लिया जाए, यह भी उचित है। वास्तव में फायदा तो ऐसे श्रमस्रोतों पर डोनी को ही होता है। इसलिये जो लाभ वह उठाता है, उसका टैक्स उससे वसूल करना उचित ही है।

[श्री गोरी शंकर कक्कड़]

अन्त में मैं फिर इस बात पर जोर दूंगा और यह कहूंगा कि दो तीन चीजों पर विशेष तौर पर सख्ती से कदम उठाये जाने की जरूरत है। अगर ग्रॉप टैक्स लगाते हैं और उससे बचने की तदबीर लोग निकालते हैं, तो उनको कड़ा दण्ड दिया जाए। दूसरी बात यह है कि जो बकायादार हैं, जो जान बूझ कर करोड़ों रुपया टैक्स का भ्रदा नहीं करते हैं, उनके बारे में भी विशेष तौर से यह प्रोवाइड किया जाए, उनके लिए भी ऐसा कानून बनाया जाए जिससे उनको सख्त दंड मिल सके। कोई भी भ्रवसर इस प्रकार का न अये कि जिसमें जो सरमायेदार तबका है, शोषण करके जिसने ग्रपार घन संग्रह कर लिया है, वह इस संकटकाल को एक मुनह्रा भ्रवसर समझ कर अपने सरमाये को और ज्यादा बढ़ाने में लग सकें। ऐसे लोगों के साथ काफी जोर के साथ और काफी सख्ती के साथ डील किया जाना चाहिये, उनके खिलाफ सख्त कदम उठाये जाने चाहियें।

Shri Prabhat Kar (Hooghly): Mr. Deputy Speaker, most of the clauses of the Bill seek to put the gift tax administration on a par with the requirements of the income-tax. That amendment had been made in 1961. One or two new clauses have been incorporated. One clause is to recover the gift tax and make assessment from the donee in the absence of the donor, where the donor cannot be found. As far as this Bill goes it is welcome. But we expected a more integrated amendment. Many of the exemptions granted under ordinary circumstances should be revised in a time of national emergency like this when revenue is more important.

This Bill will only affect the persons who have enough money to spare. Prof. Ranga suggested that this Bill must go; his suggestion was because the collection was small—it was less than Rs. 1 crore for the last three years—and also because it causes ha-

arrassment to the people, it should go. I would say that my grouse is also the same: why the collection is so small.

14 hrs.

Shrimati Tarkeshwari Sinha: Not during the last three years; it was Rs. 80 lakhs for one year.

Shri Prabhat Kar: I would rather say that we would have expected a better collection. But I know that the persons to whom this Act is applicable, those who have to pay the gift-tax, are persons who have got the best brains, who can manoeuvre—as Shri K. C. Sharma has said—to avoid payment of tax and also escape tax-payment. This is one of the reasons perhaps to show why the tax-collecting machinery is not quite intelligent enough to find out what the manoeuvre is and to collect the taxes. But then the harassment of the collecting machinery is not such a big thing at all to those persons who pay the taxes. To the big money-interests, the harassment is not big at all. If today we are in the midst of this national emergency, it is more important that the exemptions in respect of the gift-tax should be removed or at least revised and also the incidence should be increased.

A point has been made that the big, rich persons make gifts to some good causes, but the gift-tax does not debar them from making gifts. The only thing is that they should pay some money to the Government, and the money that they have earned is either through exploitation of the workers or the common men or by evading taxes. That is why they are in a position to make the gifts. Therefore, so far as this Bill is concerned, the question of taking it back does not arise.

Shri Himatsingka was mentioning about the arrears of tax to which a reference was made by Shri Daji also. It must be understood that some of those people in respect of whom there were arrears have gone away. But I

would only remind the House that our Finance Minister, Shri Morarji Desai, has introduced a new word which is known as "effective arrears." Shri Daji referred to the sum of Rs. 149 crores as being the effective arrears. With the introduction of this expression, Rs. 149 crores still remains, because, according to the Government, they were not in a position to cover those arrears or collect them, because, as Shri Himatsingka said, they have gone out, and therefore it was not possible to collect this amount. Rs. 149 crores is the effective arrears which is due to the Government, and it should have been collected; when today we are in need of that money and when everyone in this country is contributing his mite, it is essential that at least the dues which are due to the Government must be collected. The Government machinery should function in a manner which will enthuse the people that all the revenues due to the Government are collected in proper time. This is not only a question of national emergency; even the fundamental rights of the people have been curtailed and curbed. I do not understand how so much of arrears can be left over by saying that those cases are pending! This is something which, I think, at this moment should not be said when we are making—and we should make—an all-out effort to collect the money.

Shri Himatsingka: I never suggested that it should not be realised. I would be the last person to suggest that it should not be realised. If it can be realised, it should be realised even today.

Shri Prabhat Kar: I never mentioned like that. I only corrected you in respect of the statement that you made about the collection of effective arrears.

This gift-tax was introduced as part of the integrated scheme to plug the loopholes in the expenditure-tax and the wealth-tax. Whatever be the reason, the time has come, I think, to reconsider the imposition of the expenditure-tax, because those who are

to pay tax at a higher rate are those persons who have got at their command intelligent persons. I do not want to cast any aspersion or any of the professions, but I would like to point out that the Taxation Enquiry Committee has laid down that it is a pity that the best brains of this country are being utilised by those persons who indulge in tax evasion. It is a fact, and therefore it is necessary that not only this Bill should be passed, but I would like the hon. Finance Minister to consider the re-introduction of the expenditure tax and also the exemptions in the gift-tax.

Shri Mohsia (Dharwar South): I support this measure. This amending Bill has not introduced any new measures for taxation, but is only meant to plug the loopholes which were found in the Gift-tax Act. As the previous speakers have already pointed out, the gift-tax and the expenditure-tax were introduced here to plug the loopholes in the income-tax law, but now we have to find out the ways and means to plug the loopholes in the Gift-tax Act itself, and this amending Bill seeks to plug those loopholes.

One of the provisions in this Bill is intended to tax the donee who was hitherto not taxable unless the gift-tax was not recovered from the donor himself. The assessing or the recovery officers found it impossible to recover that amount which was legally due from the donor as the donors absconded; and so, now the amount could be recovered from the donee if the donor was not found. Many a time, it happens that the donor, in order to evade tax, goes away, and avoids assessment and even the payment. In such cases, there were no remedies open for the collecting machinery; and this Bill makes the donee also liable to payment of the tax along with the donor himself. If the Bill is adopted, the taxation machinery will be armed with the measures for taking recovery proceedings against the donee also.

[Shri Mohsin]

Another provision is this. The present law had some limitations as regards the amount recoverable from the donee. It was in proportion to the property that was held by the donee himself, but now it has broadened the scope and the amount could be recovered to the extent of the property gifted to him. Of course this is in line with the general law that when the tax is considered as a debt and the debt is to be recovered and in the meanwhile when the person gifts away the property it has to be recovered from the person to whom the property passes and to the extent of the property that passes. So, it is in order to be in line with that concept that this Bill has been brought forward, and now the donee is liable to the extent of the property gifted to him. It is a welcome measure

The third provision is about empowering the Commissioner of Gift-tax and the Central Board of Revenue to transfer the case of the gift-tax assessee without simultaneously transferring the income-tax cases. In a way, this will help—if not comprehensively—the recovery officers to recover effectively the taxes due from the assesses. In this respect, I am fully in agreement with the sentiments expressed by Shri Daji and another Member from that party. They were of the opinion that we have to put great stress on the tax-evaders and the persons who always keep away from taxation. I am also of the opinion that, looking into the heavy tax arrears, if the machinery becomes very effective and the laws are such that no evasion of tax is possible, much of our needs in this emergency will be met. We have seen that even the poor man gives all the money that he has for national defence. But looking to the Rs. 149 crores that are still due, I feel that the recovery machinery will have to be geared up.

While there are hundreds of persons who avoid payment of tax, still more is the number who evade tax-

tion itself. These people manage to evade tax, sometimes even with the connivance of the officers of the income-tax department. I know some officers who have made lakhs of rupees. Even a clerk in the income-tax office has got larger property than an IAS officer. I do not accuse the entire machinery, but there are some like that. Appointment in the income-tax department is said to be a very lucrative job. I am of the opinion that the Government will have to keep a watch on these dishonest and corrupt officers who help in the avoidance of taxation. If proper precautions are taken to see that no person avoids or evades taxation, I think much of our problems will be solved. The Finance Minister has already warned us that he will come with new taxation proposals. If strict measures are taken for recovering the arrears and for preventing avoidance of taxation, I think new taxation measures may not be necessary at all.

With these words, I whole-heartedly support the Bill.

श्री बड़े (खारगोन) : उपाध्यक्ष महोदय, गिफ्ट टैक्स (अमेन्डमेंट) बिल को जब मैंने देखा तो ऐसा मानूस पड़ा कि शासन ऐसा नहीं समझता कि देश में आज कोई इमरजेंसी है क्योंकि अगर शासन इमरजेंसी को महसूस करता तो यह गिफ्ट टैक्स का बिल जब औरीजनली आया था तो उसके मुताबिक गिफ्ट टैक्स को एग्जम्पशन नहीं देना चाहिये। उसके बारे में काफी चर्चा हुई थी और उस सम्बन्ध में डिस्सैटिंग नोट भी दिया था।

गिफ्ट टैक्स कितना आयेगा इसके बारे में भार्गव की किताब में ६८ पेज पर लिखा है :—

"Secondly, Prof. Ka'dor himself has estimated a revenue income of Rs. 30 crores a year by the introduction of the gifts tax, but the Government itself by means of the Bill as it is introduced have an estimate only of Rs. 3 crores.

By means of the changes the Bill has undergone in the Select Committee, we fear quite justifiably that even this estimate of Rs. 3 crores might itself be slashed down to a considerable extent. Therefore, the Bill does not satisfy even a shadow of the requirements and expectations."

पहले जब यह बिल आया था तभी इसके बारे में चर्चा हुई थी कि ३० करोड़ रुपया आने वाला है, ३ करोड़ के आने की सम्भावना थी लेकिन सेलेक्ट कमेटी में जाने के बाद अब ८० लाख रुपया ही इसके तहत आता मालूम पड़ता है। आज जब कि देश एक संकट काल में गुजर रहा है और इस देश को अपनी सुरक्षा व्यवस्था को ठीक करने के लिये अधिक से अधिक रुपये की जरूरत है तब गिफ्ट टैक्स बिल इस तरह का आना चाहिये था जिसमें कि सेलेक्ट कमेटी में जितने एक्सम्प्टिंस दिये गये हैं वे एक्सम्प्टिंस निकालने चाहिए थे। वह एक्सम्प्टिंस क्या क्या हैं मैं हाउस के सामने रखना चाहता हूँ। पहला एक्सम्प्टिंस gifts made by

Government Companies है। आजकल जब कि इनकमटैक्स लगने का ज्यादा जोर चलता है और इनकमटैक्स आफिसर ज्यादा पैसा मांगते हैं तब ६, ७ या ८ जनों की कम्पनी तैयार कर के, क्योंकि ६ की करनी होती है वह गिफ्ट दिया जाता है। फिर एक्सम्प्टिंस फ्रीम दी चार्ज (४) में गिफ्ट्स इन कंटेम्प्लेशन ऑफ डेथ आता है। मेरी वृद्धावस्था हो गई है मृत्यु आने वाला है इसलिए इसके द्वारा गिफ्ट को नोन-टैक्सेबुल कर दिया है। नम्बर (१४) में bonafide gifts made in the course of and for the purpose of a business, profession or vocation.

अर्थात् बिजनैस, प्रोफेशन या वोकेशन के लिए गिफ्ट नोन टैक्सेबुल होगा। इसी तरह (१६) में gifts made by a ruler out of his privy purse, in accordance with the practice, usage or tradition of his family, for the maintenance of any dependant re-

lative or for the performance of official ceremonies, के लिए एक्सम्प्टिंस है। इनके अलावा और भी बहुत से एक्सम्प्टिंस हैं लेकिन मुख्यतः यह हैं जिनके कि बारे में सेलेक्ट कमेटी में भी कहा था कि यह एक्सम्प्टिंस नहीं होने चाहिए। लेकिन चूंकि मेजारिटी व्यू यह था कि यह एक्सम्प्टिंस होने चाहिए इसलिये यह रक्खे गये। सेलेक्ट कमेटी में डिस्सेंटिंग नोट श्री खादिलवार और श्री वी० सी० घोष ने दिया था कि यह एक्सम्प्टिंस नहीं होने चाहिए लेकिन चूंकि मेजारिटी व्यू सेलेक्ट कमेटी का इन के रखने के फेवर में था इसलिये यह तमाम रक्खे गये। इसी का यह परिणाम है कि ३० करोड़ रुपया जो आना चाहिये था, केवल ३ करोड़ के आने की संभावना रहती है लेकिन वह ३ करोड़ भी नहीं आता है। वक्त का तकाजा तो यह था कि एक ऐसा कम्प्रीहेंसिव गिफ्ट टैक्स (ग्रमेंडमेंट) बिल लाया जाता जिसमें वह तमाम एक्सम्प्टिंस दूर कर दिये जाते ताकि सरकार को आज जो काफी पैसे की जरूरत है वह पूरी हो जाती।

उन दोनों माननीय सदस्यों ने अपने डिस्सेंटिंग नोट में लिखा है :

"We are in particular against the exceptions of gifts made to spouse and even if Parliament might be unable to accept this view, we would strongly urge that the exemption limit in case of spouses should be brought down to Rs. 25,000. We also could not endorse provisions in the Bill granting exemption of gifts made by companies and see no reasons whatsoever why individuals and companies should be viewed differently in this regard."

इंडिविजुअल ने गिफ्ट दिया वह टैक्सेबुल है लेकिन ६ या ८ आदमियों ने एक कम्पनी तैयार कर ली और गिफ्ट दे दिया तो वह नोन

[श्री बडे]

टैक्सबुल हो जाता है, उचित यह होता अगर इस तरह की कल्पना और यह एक्सचेंज बिल में से निकाल दिये जाते और यदि यह टैक्सबुल किये जाते और इस तरह का एक कम्प्रीहेन्सिव अर्मेंडमेंट बिल लाया जाता तो इस इमरजेंसी के जमाने में जब कि सरकार को बहुत पैसे की जरूरत है काफ़ी पैसा मिल सकता था । लेकिन मौजूदा अर्मेंडिंग बिल को देख कर तो ऐसा लगता है कि मानों सरकार यह महसूस ही नहीं करती है कि देश में संकटकाल है ।

"Under the existing law the donees are liable to pay the tax determined as payable by the donor if it cannot be recovered from the donor. This liability is subject to the limitation of proportionate amount of tax on the value of gift received by the donee. It is proposed to amend the existing provision by limiting the liability of the donee to the extent of the value of the gift received by him as on the date of the gift."

मौजूदा कानून में जो मुश्किल है उसी डिफिकल्टी को प्रोसीज्योर में से अर्मेंडिंग बिल द्वारा निकाला जा रहा है और हाउस का टाइम लिया है । शासन यह अर्मेंडिंग बिल यह समझ कर नहीं लाया है कि अभी इमरजेंसी है, शासन मुश्किलों में फंसा है, अपने ऊपर चीन का अतिक्रमण हुआ है और देश की सुरक्षा के लिये पैसे की जरूरत है । केवल प्रोसीजरल डिफिकल्टीज को दूर करने के वास्ते लाया गया है । कम से कम बिल के जो प्रोविजेक्ट्स और रीजंस दिये गये हैं उनको देखने से तो ऐसा मालूम नहीं देता है ।

डा० आ० श्री अग्ने (नागपुर) : क्या माननीय सदस्य यह बतलायेंगे कि यह डिस्ट्रीटिंग नोट लिखने वाले कितने आदमी हैं ?

श्री बडे : यह जो नोट मैंने पढ़ा इसको लिखने वाले दो ही व्यक्ति थे लेकिन १०,१२ लोगों ने अलग अलग अपने डिस्ट्रीटिंग नोट लिखे हैं । अगर माननीय सदस्य चाहेंगे तो मैं उनको वह किताब देखने को दे दूंगा ।

एक माननीय सदस्य ने अभी कहा कि एक बीबी हो तो १ लाख रुपया हो, २ बीबी हो तो २ लाख रुपया हो, और चार बीबियां हों तो ४ लाख रुपया हो वह इस के बारे में सफाई चाहती थीं तो मैं बतलाना चाहता हूँ कि स्पाउन के माने एक वाइफ या वाइफ्स हैं और किसी हालत में भी वह एक लाख से ज्यादा नहीं होगा ।

मैं इस संशोधन विधेयक का समर्थन करते हुए अन्त में सरकार से चाहूंगा कि यह जो एक्सचेंज इनमें दिये गये हैं उनको निकाला जाये ताकि सरकार को पैसा मिल सके । जरूरत इस बात की है कि इनकमटैक्स और वैन्य टैक्स में जो लूपहोल्स हैं उनको बन्द किया जाय ताकि सरकार को इस संकटकाल में जो पैसे की जरूरत है वह उसकी पूरी हो सके ।

Shri Sham Lal Saraf (Jammu and Kashmir): Mr. Deputy-Speaker, Sir, while supporting this Bill I would like to submit that the Government has tried to bring this tax in line, as far as administration is concerned, with that of the Income-tax Act of 1961. I can very well understand how much it will facilitate the working of this Act and how the staff already working in the Income-tax Department will be in a position to function.

I do recognise that some of the provisions have been made a little clearer here about which one of my hon. friends here have not been in a position to speak with some clarity. Though I had no mind in the beginning to speak on this Bill, I feel that now I am prompted to speak about those provisions also

I would tell Shri Bade, who was speaking just now, that we must not forget the conditions through which we are passing, our social conditions and our religious beliefs and susceptibilities. It is mostly seen that gifts are made for some purpose. Gifts are made, for instance, in order to perform some *dharmic* ceremony. I know a number of cases where gifts have been made by elders, by near relations or sometimes even distant relations, who have no progeny, in order to see that those ceremonies are performed afterwards. Gifts are made in order to carry out the wishes of the donors. Gifts are made for certain philanthropic purposes. Gifts are made in order to contribute towards certain institutions like educational, health and other institutions which the donor may not have got time to look into. Gifts can be made otherwise also, where perhaps the purpose may not be a very *bona fide* purpose of the donor.

That being so, I am one with the mover of this Bill in saying that the way in which certain clarifications have been drawn out here has made things very very clear. Firstly, the definition of "assessment year" creates convenience for the assesseees as well as the department. This is very welcome. With the definition given for "charitable purposes" it is open for the donors to give money or other assessable gifts in order to help charitable institutions. The administration of this Act by the Department has been, I should say, straightened. Certain provisions have been included which will help the assesseees in getting things done. Provisions have been made by which the inspectors can work, help and assist the assesseees in the way they ought to.

As far as other aspects are concerned, for example, the question of evasion of tax, it is a question which is engaging or exercising the minds of the people of the country as a whole. I have to say a few things with regard to that. I am happy that the hon.

Minister is also present in the House at the moment. Firstly, there is a section of people in our country who have become, I should say, tax evaders. They would like to evade tax at any time and take advantage of any opportunity that they can get. At the same time, there are one or two things which I have myself observed. Much depends upon the behaviour of the income-tax officer concerned. Much depends upon his honesty and how he deals with his clientele. I say this from my personal experience for the last so many years. Whenever an officer has been good tempered, co-operative and honest, he has been able to collect much more revenue to the Government than others who lacked in those qualities. What happens is, some officers sit like demi-Gods in their offices caring very little to what the assessee has to say. Some of the big businessmen or business magnates in big cities might not have felt any difficulty, but as far as the country as a whole is concerned, as far as thousands of other people outside in the mofussils are concerned, they are not treated well by the officers. The officers may not be corrupt, but it is the sort of arrogance that is coming out of them that creates such an impression among the people and which sometimes perforce makes people resort to evasion. My submission would be that in the departments such conditions should be created by which the officers at all levels treat the people as they ought to.

Secondly, efficiency should, of course, be there. I am happy that in the matter of taking decisions and hearing of appeals the Government have earmarked maximum periods. That is a welcome provision. That will also help in a number of ways to smoothen the working of this department.

Another thing is, where evasion is noticed, previously only the maximum punishment was provided in the Act when the tribunals or the authority concerned gave their awards. But

[Shri Sham La] Saraf]

in this Bill they have provided the minimum and the maximum punishment. This means that a person who evades will be given at least the minimum punishment. Previously we never knew what sort of punishment was given by the appellate authority or the tribunal. I am glad that they have provided a minimum punishment.

They have taken care of one more thing. While assessing the tax, the donee has also been brought in. Sometimes, in order to evade the tax the donor used to give some of his property or cash in the name of some donee. But now the donee also has been made responsible from whom this tax can be collected. One important provision is, tax will be collected from him only to the extent he has been benefited from the gift. That is, if the donor is in arrears for much more tax, the donee will be taxed only to the extent of the gift that he received. Therefore, I should say, it has been made really more realistic.

Steps have also been taken to see that these taxes are assessed in such a way that it does not disrupt a Hindu joint family or a business concern.

Keeping these things in view, I would again submit, if the department is galvanised in the proper way and it is inculcated among the officers from top to bottom that they should deal with the assessee in the proper manner, I am absolutely sure that a lot of evasion can be avoided. As I said, in a number of cases people resort to evasion only because of the behaviour that our officers show to the people.

With these observations, Sir, I support the Bill.

श्री यशपाल सिंह (कैराना) : उपाध्यक्ष महोदय, गवर्नमेंट ने जो बिल इस सदन के सामने रखा है, उसमें दो तीन खामियां हैं, जिनकी ओर मैं आपका ध्यान आकर्षित करना चाहता हूँ।

इस बिल की क्लॉज ७ के द्वारा जो नया सेक्शन ११ रखा जा रहा है, उसमें कहा गया है :—

"A Commissioner of Gift-tax may empower any Inspector of Income-tax to work as an Inspector of Gift-tax under any Gift-tax authority, and when he is so empowered, he shall perform such functions in the execution of this Act as are assigned to him by the said Gift-tax authority."

मैं निवेदन करना चाहता हूँ कि अगर एक आफिसर दो काम करेगा, तो इनफ्लेक्शन्मी और करप्शन बढ़ेगी। उदाहरण के लिए अगर मुझे लोक सभा का भी मेम्बर बना दिया जाये और राज्य सभा का भी मेम्बर बना दिया जाये, तो मैं दोनों जगह काम नहीं कर सकूंगा। वन थिंग एट ए टाइम। प्रशासन में इनफ्लेक्शन्मी और करप्शन को रोकने के लिए यह सब से ज्यादा जरूरी है कि इनकम-टैक्स के आफिसर को गिफ्ट-टैक्स का काम न सौंपा जाये।

डावरी को आज तक गिफ्ट में शामिल नहीं किया गया है। दयानन्द से लेकर गांधी तक और गांधी से लेकर गोखले तक सब लोगों ने डावरी के खिलाफ आवाज उठाई है। डावरी अर्थात् दंडेज प्रथा हमारी सोसाइटी के लिये सब से बड़ा अभिशाप है। अगर डावरी को भी गिफ्ट में शामिल कर दिया जाता, तो इस बिल के द्वारा हिन्दू जाति और मुल्क के इस कलंक को हटाया जा सकता था। इसलिये मैं निवेदन करूंगा कि दहेज को भी गिफ्ट में शामिल कर दिया जाये और सौ रुपये से ज्यादा दहेज देने और लेने वाले, इन दोनों, पर टैक्स लगाया जाना चाहिये।

इवेशन आफ टैक्स जो होता है, उसको रोकने के लिये कोई कदम नहीं उठाये

गये हैं। मैं गिरक किमान हूँ। गवर्नमेंट ड्यूज रह जायें तो मुझे हर छः महीने वाद जेल में डाल दिया जाता है। अगर एक पैसा भी मेरी तरफ टैक्स का बाकी रह जाता है तो मेरे बिलों की कुरकी की जाती है, मेरी गाड़ी की कुरकी की जाती है, मेरी भेंटों को पकड़ा जाता है, मेरी गायों को पकड़ा जाता है और मुझ को जेल में डाल दिया जाता है। मेरे साथ कुरकी और नीलामा का खेल खेला जाता है। लेकिन मिल मालिक जो डेढ़ सौ करोड़ रुपया दबाये बटे हैं, उन के खिलाफ कोई पकष नहीं लिया जाता है। मेरा कहना है कि उन के खिलाफ भी सख्त एकशन लिया जाना चाहिये। जो मिल मालिक आज टैक्स इवेंट करता है, जो टैक्सों से बचता है, वह देश के साथ खोखा करता है और उस को नेशनल डिफेंस रुज के मातहत सजा मिलनी चाहिये, उस को जेल में डाल दिया जाना चाहिये।

उस के अलावा जो गरीब लोग हैं, उन को थोड़ी राहत दी जानी चाहिये। गरीब लोगों को उस तरह से गिरफ्तार कर के जेल में नहीं भेज दिया जाना चाहिये।

नेशनल डिफेंस का आज सब से बड़ा मसला हमारे सामने है। इस के लिये हमें विशाल धनराशि की जरूरत है। मैं समझता हूँ कि अगर सिर्फ गवर्ना मिलों को नेशनलाइज कर दिया जाये तो देश के डिफेंस का मसला हल हो सकता है।

अध्यक्ष महोदय : यह अलग मसाल है।

श्री यशपाल सिंह : मैं इतना ही कहना चाहता हूँ कि जहाँ तक गिफ्ट टैक्स का ताल्लुक है, यही नहीं बल्कि जो भी टैक्स मिल मालिकों की तरफ बचे हुए हैं, उन को बसूल करने के लिये सख्ती बरती जानी चाहिये, सख्त कदम उठाये जाने चाहियें। उन सख्त कदमों की इस बिल में व्यवस्था की जानी चाहिये। यह भी घोषणा की जानी चाहिये कि जो टैक्सों को इवेंट करेगा,

उस के साथ बहुत सख्ती से पेश आया जायेगा।

गिफ्ट टैक्स और इनकम टैक्स के डिपार्टमेंटों को अगर अलग अलग नहीं रखा गया तो इस में कुरफ्तान बढ़ेगा। इन को अलग अलग रखा जाना चाहिये।

इन सख्तों के साथ मैं इस बिल की स्पिरिट का अनुमोदन करता हूँ, समर्थन करता हूँ लेकिन जो टैक्सों से बचने वालों के खिलाफ कोई कदम नहीं उठाये गये हैं, वे भी उठाये जाने चाहियें, इतना मेरा निवेदन है।

Dr. M. S. Aney: I had no intention to intervene in this debate at all, but having heard the speeches of three or four hon. Members I do think that I should say a few words.

Many hon. Members have probably not read the Statement of Objects and Reasons attached to the Bill which mentions the objects clearly. The first object is to bring it in line with the Income-tax Act in certain respects. The second object is to remove an anomaly that exists in the law that whereas a donor can be proceeded against for the recovery of gift tax, the donee cannot be proceeded against. The third is a procedural one to remove certain defects in the existing enactment to invest the gift-tax officers with the power to transfer cases. These are the three objects with which this Bill is brought before the House. Every other thing that is being spoken here by most of my friends is outside the scope of this Act. It may be that in their opinion Government should have brought a Bill including all those matters which they consider as proper for taxation but not included in this Act. Therefore, the debate is going on matters which are not covered by this Act rather than on matters which are covered here. That is my first objection.

Then, my hon. friend, Shri Bade, who has no doubt a very studious

[Dr. M. S. Aney]

mind, who goes into all the previous literature about any matter that is brought before this House, has gone through the proceedings of the Legislature regarding gift tax when it was first enacted here, the report and so on. But what was the result of it? The view which he puts forth was not supported by more than three or four persons in the Joint Committee. Then the matter was brought before the House. None of those amendments was brought before the House and, if any were brought forward, they were rejected by the House. It means that the House has given its opinion only a few years ago, some time ago, that these are matters which, in the opinion of the majority of this House, which is representative of the country, are not liable to be taxed at all under the Gift Tax Act. With this clear verdict or view by the nation, and particularly by this House, Government was right in not taking those matters into consideration when they thought of introducing certain other provisions for making this Act more workable and more vigilant. Therefore, in my opinion, those are matters which are outside the scope of this Bill. If they feel that more revenue is to be raised by Government, they should discuss this matter with the Government and try to make the Minister introduce some other Bill for that purpose. So far as this Bill is concerned, their objections are not at all valid. Therefore, so far as I am concerned, I give my whole-hearted support to this Bill.

In view of the emergency, it may be that there are other things which should be taxed or can be taxed. The Finance Minister is sitting here. He is very vigilant. Every day he is looking very carefully into every matter from which he can pick up some money and put it in his pocket. That work he is doing very vigilantly. It would be of great help to him if our friends go and have a private talk with him and suggest some other way and, at this critical time, strengthen

his hands in getting more money for the nation to help the Government in this crisis. Sir, I whole-heartedly support this Bill.

Shrimati Tarkeshwari Sinha: Mr. Deputy Speaker, Sir, I agree with the last speaker when he said that the hon. Members, when they went into the entire structure of taxation system, were speaking much beyond the scope of the present Bill. This amending Bill is incorporating provisions on income-tax which are applicable to the gift tax and also some of the procedural matters. So, I would not like to waste the time of the House by going to reply to those arguments which have been raised here and which are much beyond the scope of this Bill, but I would certainly inform the House about the arrears, as they are under the Gift Tax Act.

The total amount of gift tax right from its inception at the end of 1958 to the 31st March 1962 comes to 3.67 crores. The small amount of Rs. 15 lakhs of effective arrears which is now pending forms only 4 per cent of the total collection. It is not such a big amount as to say that there is no efficiency in running the Gift Tax Act by the department. It does not prove that. Then, as the hon. Member who is sitting behind me has pointed out, a big sum of Rs. 6½ lakhs cannot be paid to the Department because the High Court has ordered otherwise. We have moved the Supreme Court for a decision. If the Supreme Court favours us, we shall be able to realise that amount.

The original estimate of gift tax was Rs. 2 crores. A gift is really an uncertain factor. If nobody makes a gift, how can we assess the amount? So, if an overall estimate is made, that estimate cannot all the time prove to be correct hundred per cent. We made an estimate of a particular amount, taking so many factors into account. It did not come up to that expectation not because there has

been any lack of collection or there has been some evasion. In fact, no case of evasion of gift tax has come to our notice so far. Therefore, hon. Members should bear with me when I say that less collection is primarily due to the fact that proportionately lesser gifts were made. The collection figures given by the hon. Member, Shri Daji is wrong. He referred to Rs. 80 lakhs. It is not Rs. 80 lakhs; this year it is Rs. 97.86 lakhs or nearly Rs. 98 lakhs.

Then there is another point about the arrears. Even in his last budget speech the Finance Minister, who is sitting here, indicated in detail what the effective arrears of income-tax are. Members have quoted effective arrears of Rs. 149 crores, but when we go into the details of total arrears we shall find that some of these arrears may be effective in the sense that we hope some time or other to recover part of them, but they are not effective immediately.

Take, for example, the pending appeals. That comes to nearly Rs. 28.38 lakhs. How can we collect it because they are before the courts? We cannot collect it. Then, another amount which looks a big amount like Rs. 64.32 lakhs indicates the demand which has not yet fallen due. Until and unless the demand falls due and it is recoverable, though we count that in the estimate collection, we cannot take cognisance of this in the returns as actually with the Government or as revenue earned by the Government or in the possession of Government. So, before hon. Members really come to such a hasty conclusion, I would like that they should not conveniently forget the past figures which have been quoted time and again in the House. They come prepared with so many arguments but I would beg of them also to take note of those figures which have been given to the House and which have not been challenged by any authority. They cannot be challenged because they are figures given by the Government

which has got the fullest authority to give those figures.

Regarding companies under liquidation, howsomuch effective methods we may adopt—that really brings nearly Rs. 6,23,00,000—how can we collect those arrears? Maybe, we are hoping against hope that the condition of the person may improve and he may be able to give some tax as is charged on his income or wealth. But until and unless the financial position improves and so long as the companies do not have a second life, how can we collect this amount?

Then, double income-tax reliefs which are yet pending cover nearly Rs. 6,24,00,000. They also are not recoverable. This really does not indicate that all the arrears are going to come to the Government by taking all steps. But may I assure the House that this Ministry is very vigilant about collecting all such arrears which can be collected. Whatever organisational improvement is possible, we are adopting those ways and means to collect the arrears on which we can lay our hands.

Only some time back a meeting was called of all the officers of the Department to go into this specific question of how to improve the administrative machinery and how really to take into cognisance this problem as also to adopt those methods by which the whole administrative system may show improvement in the collection work. I might say that the hon. Finance Minister is very particular about two things in his Department. One is that the arrears must be reduced and the second thing is that the public may not be inconvenienced, that is, the refunds which are due to the public should be given to them immediately after the refunds are due.

The hon. lady Member referred to donations to the National Defence Fund. The next Bill is going to provide for that. The House knows that donations to the National Defence Fund are exempt from taxes including the Gift-tax.

[Shrimati Tarkeshwari Sinha]

Then the hon. lady Member again said that it may be Rs. 4 lakhs for four wives. The hon. Member sitting opposite has already explained that it does not matter whether it is 'spouse' or spouses'. One may have four wives but the relief is only Rs. 1 lakh for the spouse. So, she is under a mistaken notion.

Shri Daji: That too is high.

Shrimati Tarkeshwari Sinha: I do not know. Sometimes a person who receives that has to maintain the entire family and nobody, I think, is taking the responsibility of maintaining that family. No guarantee is given by the Government, I do not accept that in all such cases it is misused.

Shrimati Lakshmi Bai: You mention only 'wife' and not 'wives'.

Shrimati Tarkeshwari Sinha: It is 'spouse' and spouse means wife or wives or husband.

It has been pointed out that the expenditure is very high. But the expenditure is so low that we are proud of our low proportion of expenditure to the collection work that we do. It is not even 2 per cent. The expenditure on this is 1.8 per cent. This Department can really take pride of the fact that though the collections have gone up very much and the arrears have been reduced rapidly, our expense ratio has not increased at all. It is very low compared to the increase in collections. I can also take pride in the fact that the whole brunt of the burden is being shouldered by the existing staff of the Department in spite of the fact that so many new taxes have been levied. We are quite satisfied.

The hon. Member probably does not quite understand the working of the Income-tax Department and therefore he came to this conclusion. The Gift-tax and the Wealth-tax form part of

the total integrated system of taxation in collection as well as in administration. Therefore certainly our officers have to take an extra burden. But this is not an anomaly that if they have to do the income-tax work they are not capable of doing Gift-tax work. Actually these two works are complementary and not contradictory.

Shri Daji: He said that if he is also elected to the Rajya Sabha he cannot function both in the Rajya Sabha and in the Lok Sabha.

Shrimati Tarkeshwari Sinha: That is why I say that the comparison is not quite correct.

Shri S. M. Banerjee (Kanpur): Ministers are functioning.

Shri Daji: Ministers can function.

Shrimati Tarkeshwari Sinha: Yes.

So, this contention that the expense ratio is very high is not quite correct.

I would not like to repeat what the hon. Member who spoke last suggested that hon. Members who talked about exemption have not been very relevant to this Bill, more so because this has been the decision of the House. It is not within the scope of this amendment Bill to object to the decision which has been taken by the House and that includes the Select Committee also.

The last point which Shri Himat-singka raised was in regard to the responsibility of the donee in giving this tax. We can assure the House that the responsibility of the donee will only be in a case where the doner is not available for paying the tax and even if the responsibility of the donee is taken into consideration it will be proportionate to the amount of the gift that he has received and it will not be unproportionate. In our administrative procedures we shall see that no hardship is caused to the donees and that the tax is proportionate to the gift that he has received.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Gift-tax Act, 1958, be taken into consideration."

The motion was adopted.

Mr. Deputy-Speaker: The House shall now take up the clauses. There are no amendments. So, I shall put all the clauses together to the vote of the House.

The question is:

"That clauses 2 to 36 stand part of the Bill."

The motion was adopted.

Clauses 2 to 36 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shrimati Tarkeshwari Sinha: Sir, I beg to move:

"That the Bill be passed."

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

14.49 hrs.

TAXATION LAWS (AMENDMENT)
BILL

The Deputy Minister in the Ministry of Finance (Shrimati Tarkeshwari Sinha): Sir, on behalf of Shri Morarji Desai, I beg to move:

"That the Bill further to amend the Income-tax Act, 1961 and the

Wealth-tax Act, 1957, be taken into consideration."

As the House is aware, Government have recently set up a National Defence Fund and have also issued Gold Bonds, National Defence Bonds and various other small savings certificates with a view to mobilising the financial resources of the people in the present emergency. In order to facilitate and encourage donations to the National Defence Fund the Government had announced certain tax reliefs and concessions for persons making contributions to the National Defence Fund or subscribing to the Gold Bonds and the National Defence Bonds. The object of the Bill under consideration is to amend the relevant provisions of the Income-tax Act, 1961 and the Wealth-tax Act, 1957, for providing the necessary tax reliefs and concessions.

The Gold Bonds, which are issued against subscriptions in gold or gold ornaments have been instituted with a view to harness the resources in gold which are lying idle with the people and which form a huge amount of foreign exchange, which will be of immense help to the Government in securing equipment, machinery and materials from abroad, if we can mobilise at least a part of that huge amount of gold lying idle in the country. They will also be of great assistance in checking smuggling by bringing down the price of gold. Such mobilising of gold is also of great use for a number of other objectives. It is desirable to wean away our people from the habit of hoarding gold and using gold as a display of wealth. For various reasons, the Government could not offer for this gold a price higher than the international price of Rs. 62.50 per tola. However, to make this issue attractive, besides fixing the interest thereon at a liberal figure of 6½ per cent per annum, it is proposed to exempt them from the Wealth tax and any capital gains resulting from their sale afterwards and these sales are proposed to be