

GOVERNMENT FOR STABLE TAX REGIME, SAYS THE FINANCE MINISTER

New Delhi: Agrahayana 28, 1934
December 19, 2012

The Union Finance Minister, Shri P. Chidambaram said that the Government is fully committed to provide best possible facilities to the tax payers for better tax compliance and revenue augmentation. He said that our focus is always to have a reasonably stable tax regime which is in the interest of both the tax payers as well as tax collectors. The Finance Minister Shri Chidambaram was speaking at the 5th Meeting of Consultative Committee attached to his Ministry here today. The agenda of the meeting was 'Facilitation for Tax Payers'. The Finance Minister stressed the need for systematic changes including strengthening of the tax information system for better collection of taxes. He said that at present 3.5 crore people are filing income tax returns. Only 14.6 lakh people have declared their income of Rs. 10.00 lakh and above for tax purposes which is not realistic. The Finance Minister informed that we have moderate rate of income tax as compared to various developed countries. Our peak rate of taxation is 30% at present. Therefore, there is lot of scope for better tax compliance and tax collections, the Minister added. The Finance Minister informed that about 50% tax payers are filing their return through e-mode. He said that there is a need for more and more tax payers to electronically file their return as it will help in expediting tax processing and refund process. The Finance Minister informed the members that during last year i.e. 2011-12, till this time, refund of Rs. 70,000 crore was made which included arrears for the previous year(s) while during the current year i.e. 2012-13, refund to the tune of Rs. 57,000 crore have been made. He said that the target for collection of direct taxes for the current year i.e., 2012-13 is fixed at Rs. 5,70,251 crore.

The Members of the Consultative Committee present in the meeting suggested various measures for improving relationship with tax payers. Some members suggested that efforts be made to keep the tax rates low for better compliance. Some suggested that interest on refund may be paid at least at the bank rate of interest. Some Members suggested for widening of tax base for higher revenue collections. Some Members said that tax facilitation centres be opened in rural areas which in turn will help in increased revenue generation. Tax awareness campaign for payment of due taxes on time may also be undertaken in the local language.

Along with the Union Finance Minister, Shri P. Chidambaram, Shri S.S. Palanimanickam, Minister of State for Finance, Shri Namo Narain Meena, Minister of State for Finance, Shri R.S. Gujral, Finance Secretary, Shri Sumit Bose, Revenue Secretary, Shri Arvind Mayaram, Secretary, Department of Economic Affairs (DEA), Dr. Poonam Kishore Saxena, Chairman, CBDT, Ms. Praveen Mahajan, Chairman CBEC and other senior officers of Ministry of Finance were also present during the meeting. Among the Members of Consultative Committee Shri Prabhatsinh Chauhan, Smt. Rajkumari Ratna Singh, Shri S.P.Y. Reddy, Prof. Saugata Roy, Shri W. Bhausaheb Rajaram and Shri M.S. Reddy (all Members of Lok Sabha); Shri Ajay Sancheti, Shri Birender Singh, Shri N.K. Singh, Shri Sabir Ali and Dr. Ashok Sekhar Ganguly (all Members of Rajya Sabha) also attended the aforesaid Consultative Committee Meeting.
