

TAX COLLECTIONS INCREASED FROM RS 6.38 LAKH CRORE IN YEAR 2013-14 TO ALMOST RS 12 LAKH CRORE THIS YEAR

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Ministry of Finance

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80% growth in tax base; number of returns filed increased from 3.79 crore to 6.85 Crore

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The Government has reduced tax rates, more for the common man and middle class, and made the interface with the tax department much simpler and largely faceless. Due to this, the tax collections increased significantly from Rs 6.38 lakh crore in 2013-14 to almost Rs 12 lakh crore this year. The number of returns filed have also increased from 3.79 crore to 6.85 crore showing 80% growth in tax base.

While presenting the Interim Budget 2019-20 in Parliament today the Union Minister for Finance, Corporate Affairs, Railways & Coal, Shri Piyush Goyal said, "I thank the honest taxpayers of India for reposing faith in our Government. Let me assure them that we have used their contribution to serve the poor and create better infrastructure."

The Income Tax Department now functions online. Returns, assessments, refunds and queries are all undertaken online. Last year, 99.54% of the income-tax returns were accepted as they were filed. Shri Piyush Goyal said that the Government has now approved a path breaking, technology intensive project to transform the Income-tax Department into a more assessee-friendly one. All returns will be processed in twenty-four hours and refunds issued simultaneously."

Within the next two years, almost all verification and assessment of returns selected for scrutiny will be done electronically through anonymised back office, manned by tax experts and officials,

without any personal interface between taxpayers and tax officers, he added.

The Minister said that reducing the tax burden on middle class has always been our priority ever since the Government took over in 2014. The Government increased the basic exemption limit from Rs 2 lakh to Rs 2.5 Lakh and gave tax rebate so that no tax was payable by persons having income up to Rs 3 lakh. The Government also reduced the tax rate from 10% to 5% for the tax slab of Rs 2.5 lakh to Rs 5 lakh and introduced Standard Deduction of Rs 40,000 for the salaried class. Deduction of savings under section 80C was increased from Rs 1 lakh to Rs 1.5 lakh. Deduction of interest for self-occupied house property was raised from Rs 1.5 lakh to Rs 2 lakh.

Special benefits and incentives were also given to small businesses and startups. Overall compliance processes were simplified. Threshold limit for presumptive taxation of business was raised from Rs 1 crore to Rs 2 crore. The benefit of presumptive taxation was extended for the first time to small professionals fixing threshold limit at Rs 50 lakh. In order to promote a less cash economy, the presumptive profit rate has been reduced from 8% to 6%. The tax rate for companies with turnover of up to Rs 250 crore, covering almost 99% of the companies, was reduced to 25% which was also applicable to new manufacturing companies without any turnover limits.

GG/DSM/RM/NK

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