

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
QUESTION NO 09.11.2010
ANSWERED ON
WIDENING OF TAX NET WORKS. .

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Shri Rajkumar Dhoot

Will the Minister of COALCOALCOALCOALFINANCE be pleased to state :-

(a) the number of persons who paid income tax in the salaried class and others during 2007-09 and 2009-10 and the amount of money paid by each category; and

(b) the steps being taken to widen tax net for persons other than the salaried class?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI S.S. PALANIMANICKAM)

(a) Separate data about salaried class who paid income tax and others is not maintained centrally. However, data regarding total number of effective assesses and the amount of Direct Taxes paid during F.Ys. 2007-08, 2008-09 & 2009-10 is given as under:-

F.Y.	Total Number of effective assesses	Total amount of Direct Taxes. (Rs. in crores)
2007-08	3,36,62,802	3,12,213
2008-09	3,26,50,627	3,33,828
2009-10	3,40,85,426	3,77,982

The Figures for the F.Y. 2009-10 are Provisional.

(b) The following steps are being taken to widen the tax net, for other than salaried class, though these steps may have their import on salaried class also.

(i) Statutory notices u/s 142 (1) and 148 of the Income Tax Act, 1961 may be issued in suitable cases, namely A) Stop filer assesses. B) Cases where the TDS deductors have made payments but recipients of the payments have not filed Income Tax returns in spite of prima facie liability to file the return of income.

(ii) There is statutory obligation requiring compulsory quoting of Permanent Account Number (PAN) in transactions identified under Rule 114B of the Income Tax Rules, 1962. Moreover out of these, the persons identified u/s 285BA of the Income Tax Act, 1961 are required to report specified financial transactions through Annual Information Return (AIR). The information collected through AIR is disseminated to Assessing Officers for verification and identification of new assesses. In order to strengthen PAN mechanism, section 206 AA has been inserted in the Income Tax Act 1961, by finance (No. 2) Act, 2009 w.e.f. 1st April 2010, whereby every deductee shall mandatorily furnish his PAN to the deductor, failing which deduction of tax at source shall be made at a minimum rate of 20 percent or higher rate applicable.

(iii) The information collected through Central Information Branch (CIB) is disseminated to Assessing Officers for verification and identification of new assesses.

(iv) Statutory liability on all firms for compulsory filing of returns irrespective of their of income/ loss.

(v) Statutory liability on all persons to file return on Gross total income basis.