

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 702
ANSWERED ON- 13/12/2022

GROSS TAX REVENUE TO GDP RATIO

702. SHRI JAWHAR SIRCAR:

Will the Minister of FINANCE be pleased to state:

- (a) the average Gross Tax Revenue to GDP ratio over the last three years for Central taxes and why it is not climbing up ;
(b) the National Gross Tax Revenue to GDP ratio if State taxes and all other taxes are added;
(c) whether the percentage of subsidy and exemptions of direct Central taxes have gone up from 18.50 per cent in 2018-19 to 24.57 per cent 2019-20 and further to 36.22 per cent in 2020-21;
(d) if so, the details thereof for 2021-22; and
(e) whether it is a fact that the richest upper brackets gain the most through this route?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The details are as under:-

Particulars	Rs in Lakh Crore		
	2019-20	2020-21	2021-22(P)
Gross Tax Revenue	20.1	20.3	27.1
Gross Domestic Product (GDP)	201	198	237
Gross Tax Revenue to GDP Ratio (%)	10	10.25	11.43

Source: Accounts at a Glance from CGA

(b) The data with respect to all taxes levied in the country (central, states and local bodies) are not maintained centrally.

(c) As per the receipt budget for 2022-23 and 2021-22 the revenue forgone on account of the major direct tax incentives is tabulated below:

Revenue Impact of Major Tax Incentives for corporate tax payers (in Rs Crore)

Category of taxpayer	FY 2018-19	FY 2019-20	Project Revenue Impact FY 2020-21
Corporate	108,113.04	94,109.83	103,285.54
Non Corporate (Firm/Aops/BoIS)	6,804.28	8,043.07	8,827.27
Individual/HUF	95,376.78	155,429.45	170,583.82

(d) The latest receipt budget of 2022-23 has computed the revenue impact of major tax incentives for FY 2019-20 and the projected revenue impact of major tax incentives for FY 2020-21. Accordingly, the projected revenue impact of major tax incentives for FY 2021-22 shall be presented in the receipt budget 2023-24.

(e) Under the provision of the Income-tax Act, 1961 different tax deductions and exemptions have been provided to taxpayers and the gain to different taxpayers will vary depending upon the conditions of such deductions and exemptions.