

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

RAJYA SABHA

STARRED QUESTION NO. *148

TO BE ANSWERED ON TUESDAY 14TH MARCH, 2023
[Phalgun 23, 1944 (Saka)]

‘Shortfalls in non tax revenue and its impact on the economy’

No.*148 Shri Rajeev Shukla:

Will the MINISTER OF FINANCE be pleased to state:

- (a) whether the Ministry is aware of shortfalls in non tax revenue and its impact on the economy;
- (b) if so, whether any step has been taken or under consideration to address this issue;
- (c) whether the Ministry is aware of the hardships being caused to the middle class due to the high rate of income tax and cess;
- (d) if so, whether there is any proposal to give any relief to the middle class; and
- (e) if so, the details thereof?

ANSWER

FINANCE MINISTER

(SMT. NIRMALA SITHARAMAN)

(a) to (e): A statement is placed on the Table of the House.

Statement referred to in reply to Rajya Sabha Starred Question No.*148 for answer on March 14, 2023 raised by Sh. Rajeev Shukla, Member of Parliament regarding “Shortfalls in non tax revenue and its impact on the economy”:

(a) and (b): The collection of Non-Tax Revenue in the current financial Year (FY 2022-23) so far is broadly in line with the targets set for Revised Estimates of FY 2022-23. The Ministry has been regularly following up with the administrative Ministries/Departments on the collection of Non-Tax Revenue. Further, several measures have also been taken for realization of the arrears of Non-Tax Revenue, payment of outstanding dues against deployment of Central Armed Police Forces (CAPF) in various states, revision of user charges and recovery of interest/other earnings on unspent balances lying with the Implementing Agencies (IA).

(c) to (e): Finance Bill, 2023 has proposed to amend section 115BAC of the Income-tax Act, 1961 (the Act), so as to reduce rates of tax applicable in case of individual or Hindu undivided family or association of persons [other than a co-operative society], or body of individuals, whether incorporated or not, or an artificial juridical person and provide that with effect from assessment year 2024-25, the following rates as provided under the proposed sub-section (1A) of section 115BAC of the Act shall be the rates applicable for determining the income-tax payable in respect of the total income of such person:—

Sl. No.	Total income	Rate of tax
1	Upto Rs. 3,00,000	Nil
2	From Rs. 3,00,001 to Rs. 6,00,000	5 per cent.
3	From Rs. 6,00,001 to Rs.9,00,000	10 per cent.
4	From Rs. 9,00,001 to Rs. 12,00,000	15 per cent.
5	From Rs. 12,00,001 to Rs. 15,00,000	20 per cent.
6	Above Rs. 15,00,000	30 per cent.

Finance Bill, 2023 has further proposed to provide that the above mentioned rates shall apply to all the persons mentioned above, unless an option is exercised under proposed sub-section (6) of section 115BAC of the Act.

Further, the income-tax payable in respect of the total income of the person [other than a person who has exercised an option under sub-section (6) of section 115BAC], shall be computed without allowing for any specified exemption or deductions. However, standard deduction as provided under clause (ia) of section 16 of the Act, deduction in respect of income in the nature of family pension as provided under clause (iia) of section 57 of the Act and deduction in respect of the amount paid or deposited in the Agniveer Corpus Fund as provided under the proposed sub-section (2) section

80CCH of the Act, shall be allowed for the purposes of computing the income chargeable to tax under sub-section (1A) of section 115BAC.
