

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2619**  
ANSWERED ON 12/08/2025

**RISE IN CORPORATE TAX COLLECTION**

2619. SHRI RATANJIT PRATAP NARAIN SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether there has been an overall increase in tax collections with the reduction in corporate tax rates;
- (b) if so, the details thereof;
- (c) what specific incentives are being considered to attract investment and how these initiatives will impact tax revenue;
- (d) the measures taken to ensure greater compliance with corporate tax laws while simplifying the tax filing process for businesses; and
- (e) the detailed data on the number of companies that opted for concessional tax rates under the corporate taxation system in recent years?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b) Yes. There has been an overall increase in direct tax collections after reduction of the corporate tax rates with effect from AY 2020-21 (except in FY 2020-21 being covid affected year). The year-wise details of the net direct tax collection in the last five years are as under:

*(Rs. In Crore)*

Financial Year	Net Direct Tax Collection	% Growth as compared to previous year
2020-21	9,47,176 <sup>#</sup>	-9.85%
2021-22	14,12,422	49.12%
2022-23	16,63,686	17.79%
2023-24	19,60,166	17.82%
2024-25	22,26,375 <sup>*</sup>	13.58%

Source: Pr. CCA (CBDT)

<sup>#</sup>Covid affected Year

<sup>\*</sup>Provisional

(c) In order to create a globally competitive business environment for domestic companies, attract fresh investment and create employment opportunities, section 115BAA and section 115BAB were introduced in Income-tax Act through Taxation Laws (Amendment) Act, 2019. The impact of section 115BAB is reflected in a significant growth of new manufacturing companies from 2,928 in AY 2022-23 to 7,185 in AY 2024-25.

To encourage start-ups, initiatives taken have resulted into an increase in the number of start-ups claiming deduction under section 80IAC from 328 in AY 2022-23 to 877 in AY 2024-25. Further, the number of companies covered under section 80JJAA in respect of employment of new employees has increased from 2,838 in AY 2022-23 to 3,644 in AY 2024-25.

The specific incentives are provided in the Income-tax Act through Finance Bill. The initiatives taken have led to generation of employment, increase in tax revenue and overall economic growth.

The total revenue impact on account of tax benefits extended to companies was Rs. 88,109.27 Crores and Rs. 98,999.57 Crores (projected) in FY 2022-23 and FY 2023-24 respectively (Source: Receipt Budget 2025-26). The above tax benefits have the impact of making the corporates competitive and encouraging investment and therefore economic growth.

(d) The measures taken by the Income-tax Department to ensure compliance with corporate tax laws and simplifying tax filing process include: -

- (i) Phasing out of exemptions and deductions and simplification/rationalisation of tax laws.
- (ii) Promoting voluntary compliance which includes New Form 26AS, Pre-filing of Income-tax Returns, E-Verification Scheme, providing facility to the taxpayer for Updated Return, and rationalisation of TDS/TCS by changing threshold for applicability of TDS/TCS provisions.
- (iii) Other steps such as making the payment of tax easier through online mode like RTGS, NEFT, Debit/credit card or Net Banking.
- (iv) Awareness programmes to generate awareness about the instalments of advance tax, timely payment of self-assessment tax and regular assessment tax, etc.
- (v) Through Samvaad sessions, the senior officers of the Department share their expertise on various topics which is broadcast on the Department's YouTube channel. Information is disseminated by the Department through various social media platforms including Facebook, Instagram, LinkedIn, YouTube and X. Launch of Mobile app called "Aaykar Setu" and responsive version of the Tax Payer Services (TPS) section at the national website to facilitate online payment/calculation of the taxes.

(e) The number of companies that have opted for concessional tax rate by filing e-return under the corporate taxation system is as under (data upto 30.06.2025): -

Assessment Year	Return filed under section	No. of ITRs	Total
2021-22	115BA	10,401	2,11,103
	115BAA	1,97,176	
	115BAB	3,526	
2022-23	115BA	1,494	1,71,016
	115BAA	1,66,593	
	115BAB	2,929	
2023-24	115BA	1,182	2,14,526
	115BAA	2,08,076	
	115BAB	5,268	
2024-25	115BA	1,272	2,63,152
	115BAA	2,54,650	
	115BAB	7,230	

Source: DGIT (Systems)

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