

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1982**

ANSWERED ON 10/03/2026  
**RISING INCOME TAX AND CORPORATE TAX COLLECTIONS**

1982. Dr. V. SIVADASAN

Will the Minister of FINANCE be pleased to state:

- a) the total collections of personal income tax and corporate tax for each of the last five financial years and the annual percentage growth in collections for both taxes during the said period, year wise;
- b) the reasons for differences in growth rates between income tax and corporate tax collections, including any impact of tax policy changes such as revisions in corporate tax rates and income tax relief measures; and
- c) whether Government has any plan to increase corporate tax rates or reduce the income tax burden on individual taxpayers, if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) In view of the fact that collections 'other than Corporate Tax' such as individuals, HUFs, Firms, AoPs, BoIs, Local Authorities, Artificial Juridical Person etc. are clubbed under the 'Personal Income tax', the nomenclature of Personal Income Tax has been changed to 'Non-Corporate tax (NCT)' from FY 2025-26. Accordingly, the total collections of Non-Corporate tax and Corporate tax for each of the last five financial years and the annual percentage growth in collections for both taxes during the said period is as under:

*(Rs. In Crore)*

Financial Year	Net Collection		Annual Growth in %	
	Non-Corporate Tax	Corporate Tax	Non-Corporate Tax	Corporate Tax
2020-21	4,87,560	4,57,719	-1.05%	-17.81%
2021-22	6,96,604	7,12,037	42.88%	55.56%
2022-23	8,33,307	8,25,834	19.62%	15.98%
2023-24	10,44,726	9,11,055	25.37%	10.32%
2024-25	12,35,161	9,86,767	18.23%	8.31%

Source: Time Series Data as published by the Income Tax Department

Note: Figures under Non-Corporate tax includes taxes paid by individuals, HUFs, Firms, AoPs, BoIs, Local Authorities, Artificial Juridical Person. Non-Corporate tax also includes collections of Security Transaction Tax.

(b) The collection of Direct taxes is basically classified under the head Corporate & Non-Corporate tax. However, under the head Non-Corporate tax, all taxpayers except companies are included which, *inter-alia* include individuals, HUFs, Firms, AoPs, BoIs, Local Authorities & Artificial Juridical Person.

Reasons for differences in growth rates between Non-Corporate tax and Corporate tax collections are several legislative, administrative and enforcement measures. Vide successive Finance Acts, the corporate tax rates have been rationalized to 25% (for domestic companies having total turnover or gross receipt up to ₹400 crores for previous year 2023-24) and 35% (for foreign companies) to promote growth, boost investment and create more job opportunities. Also, option had been provided to certain domestic companies to pay tax at concessional rate of 22% if they do not avail any exemption or incentive.

The tax base over the years has increased which can be attributed to various measures taken by the Government to improve voluntary compliance and widen the tax net such as: -

- NUDGE (Non-intrusive Usage of Data to Guide and Enable) taxpayer campaigns were undertaken to improve compliance ecosystem and to assist taxpayers to review their ITRs and correct mistakes, if any, by filing revised/updated ITRs.
- Expansion of scope of provisions of TDS and TCS to cover more types of financial transactions.
- Expansion and strengthening of third-party financial transaction reporting to obtain wider range of data to identify tax-evasion or under-reporting of income.
- Implementation of Non-filers Monitoring System (NMS) to identify potential taxpayers on the basis of third-party data.
- Mandatory quoting of PAN and linking of PAN and Aadhaar.
- Action against generation and use of black money both inside and outside the country through legislations such as the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 and the Benami Transactions (Prohibition) Amendment Act, 2016.
- Promotion of voluntary compliance through high level of taxpayer service, expeditious resolution of grievance, ease of paying taxes and filing returns, promotion of digital transactions etc.

Other reasons for the difference in growth rates of Non-Corporate tax and Corporate tax collections include growth rate of GDP, increase in wages/salary etc.

(c) No such proposal to increase corporate tax rates or reduce the income tax burden on individual taxpayers is under consideration.

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