

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**LOK SABHA
UNSTARRED QUESTION NO. 2716
TO BE ANSWERED ON FRIDAY THE 17th MARCH 2017
26 PHALGUNA SAKA 1938**

PENDING TAX ARREARS

2716. SHRI BIDYUT BARAN MAHATO:
SHRI S.R. VIJAYAKUMAR:
SHRI ASHOK SHANKARRAO CHAVAN:
SHRI GAJANAN KIRTIKAR:
SHRI SUDHEER GUPTA:
SHRI T. RADHAKRISHNAN:
KUNWAR HARIBANSH SINGH:
DR. SUNIL BALIRAM GAIKWAD:

Will the Minister of FINANCE be pleased to State:

- (a) whether the Government has decided to exempt pending tax arrears upto Rs.100/- by taxpayers recently;
- (b) if so, the details thereof along with the aims and objectives thereto;
- (c) whether the Government has made any arrangement of loss of revenue to the Government in this regard along with impact on the number of pending arrear cases to be disposed of as a result of this move;
- (d) the corrective measures taken by the Government to check the tax evasion; and
- (e) the steps taken/being taken by the Government for speedy disposal of other cases relating to income tax arrears in the country?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)**

- (a) The Government has decided as a one-time measure to write off outstanding taxes in respect of those taxpayers whose total outstanding demand (inclusive of late payment interest) is Rs.100/- or less.

(b) With a view to make management of arrears and processing of refunds more efficient and reduce the administrative burden of maintaining and servicing very low amounts of arrears, and considering the fact that the administrative cost of recovery of these low-value arrears would be more than the amount of arrear itself, the Government has taken a decision to write off such arrears in about 21.54 lakh cases involving a total amount of about Rs.6.4 crore based on the data of 31.12.2016. However, the amount actually written off may slightly differ due to the fact that demands are created and recovered on a continuous basis.

(c) Since only a small amount of Rs.6.4 crore is to be written off under the decision of the Government, no significant loss of revenue is caused requiring any arrangement or provision to be made in this regard. On the other hand, removal of 21.54 lakh cases (16% of all cases) of low-value arrear from the records of the Income Tax Department would have a significant positive impact on the process of arrear collection and management.

(d) Though the decision to write off arrears up to Rs.100/- has no bearing on prevention of tax evasion, the Government has separately taken several steps to counter tax evasion and unearth unaccounted money including enactment of legislations to deal with undisclosed income and assets abroad and allow confiscation of benami properties and prosecution of benami owners, signing of various international information exchange agreements, renegotiation of various Double Tax Avoidance Agreements, launching of “Operation Clean Money” to identify high-risk depositors of cash in bank accounts, etc., apart from traditional enforcement actions of search & seizure, survey, enquiries and assessments in appropriate cases of tax evasion.

(e) Strategies and targets to collect the arrears of taxes are laid down in the beginning of every financial year as part of the Central Action Plan document. Efforts of the assessing officer to collect/recover the outstanding demand are regularly reviewed/ monitored by the superior authorities. Databases like Individual Transaction Statement and 360-degree profile generated by the Department and those maintained by other agencies like FIU-IND have been made available to the field units for identification of assets for recovery. Guidelines for Tax Recovery Officers for recovery and guidelines to filed authorities for dealing with stay petitions have been issued. Efforts for early disposal of appeals are also being undertaken. A new reward scheme for information leading to recovery of arrears has been notified. The names of confirmed defaulters are also placed in public domain.
