

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 1334
TO BE ANSWERED ON MONDAY, NOVEMBER 25, 2019
AGRAHAYAN 4, 1941 (SAKA)**

SHORTFALL IN TAX COLLECTION

1334. SHRI MANISH TEWARI

Will the Minister of FINANCE be pleased to state

- (a) the details of the shortfall between the Government's projections and actual collections of direct taxes between 1-4-2019 and 31-10-2019;
- (b) the details of the shortfall in Goods and Services Tax Collections of Indirect taxes between 1-4-2019 and 31-10-2019 juxtaposed against budgetary projections;
- (c) the details of the revenue loss to the Government on account of the reduction in corporate tax rates announced by the Government; and
- (d) the reasons for not cutting personal income tax rates?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)**

- (a): The Budget Estimates for Direct Taxes for Financial Year 2019-20 is Rs. 13,35,000 crore. Between 01.04.2019 to 31.10.2019, the Net Collection of Direct Taxes is Rs 5,18,084 crore. The shortfall or excess in collection of Direct Taxes with respect to Budget Estimate, if any, is calculated after completion of Financial Year
- (b): The Budget Estimates for Central Goods and Services Tax (GST) for FY 2019-20 has been fixed at Rs. 6,63,343 crore. The actual net GST collection for the Centre till October, 2019 in the current fiscal year is Rs. 3,26,490 crore. The shortfall or excess in collection of GST with respect to Budget Estimate, if any, is calculated after completion of Financial Year.
- (c): The likely revenue forgone due to the reduction in corporate tax rates has been estimated to be Rs. 1,45,000 crore.
- (d): Over the past years, the Government has provided personal income tax relief to tax payers taking into account the overall needs of the economy. Recent initiatives undertaken by the Government are as under:
 - i. Vide Finance Act 2014, the basic tax exemption limit was enhanced from Rs. 2 lakh to Rs. 2.5 lakh. Further, the said Act also increased the limit for claiming deduction under section 80C of the Income-Tax Act, 1961 (the Act) from Rs. 1 lakh to Rs. 1.5 lakh.
 - ii. Finance Act, 2017 reduced the rate of income-tax on individuals whose total income is between Rs. 2.5 lakh to Rs. 5 lakh from 10% to 5 %.
 - iii. Standard deduction of Rs. 40,000 was introduced for salaried taxpayers as well as pensioners vide Finance Act 2018 which was further increased to Rs. 50,000 vide Finance Act, 2019.

iv. Finance Act, 2019 also provided for full tax rebate for individuals having taxable annual income up to Rs. 5 lakhs under section 87A of the Act.
