

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 2245
TO BE ANSWERED ON FRIDAY, THE 29th JULY, 2016
7, SRAVANA, 1938 (SAKA)

BLACK MONEY

2245. SHRI SULTAN AHMED:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government has any policy in place for voluntary disclosure of income of individuals/corporate bodies, if so, the details thereof;
- (b) whether such schemes amount to regularising black money and also promote and encourage wrong doers to indulge in financial frauds in the hope of such exemptions in future;
- (c) the steps taken/proposed to rationalise tax slabs to a lower level especially for highest slab tax payers particularly Government employees;
- (d) the revenue generated through such last three disclosure schemes/amnesty schemes; and
- (e) the revenue likely to be generated by the latest amnesty scheme proposed by the present Government?

ANSWER

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

(a) Vide Finance Act, 2016, the Government has introduced the Income Declaration Scheme, 2016(the Scheme) with effect from 1st June 2016 which is open for declarations upto 30th September, 2016. The Scheme provides an opportunity to all the persons who have not paid full taxes in the past to come forward and declare such undisclosed income and pay tax, surcharge and penalty totaling in all to forty-five per cent of such undisclosed income declared.

(b) The amount payable under the Scheme is 45% (which includes penalty @ 25% of tax) of the undisclosed income declared as against the maximum applicable tax rate of 30% plus surcharge. Further, the Scheme does not provide for deduction in respect of any expenditure or allowances against the income declared under the Scheme. It is thus evident that the Scheme does not in any way promote generation and circulation of black money but aims at channelizing the unaccounted money back into the mainstream of the economy by due payment of tax, surcharge and penalty on the income so declared.

(c) The tax slabs are determined each year for individuals considering the prevailing economic situation and the revenue needs of the Government. There is no separate slab for Government Employees.

It may also be mentioned that with a view to provide relief to small and marginal taxpayers and senior citizens, personal income tax exemption limit was increased through Finance (No. 2) Act, 2014 by Rs 50,000, that is, from Rs 2 lakh to Rs 2.5 lakh in the case of resident individual taxpayers below the age of 60 years, and from Rs 2.5 lakh to Rs 3 lakh in the case of senior citizens, i.e., resident individual taxpayers of the age of sixty years or more but less than eighty years. The tax slabs have remained unchanged since then.

(d) The details of revenue generated through last three disclosure/amnesty schemes are as under:

Name of the scheme	Year	Income/ Wealth/ Assets declared (in Rs. Crore)	Tax collected (in Rs. Crore)
National Housing Bank (Voluntary Deposits) Scheme, 1991	1991	Deposits of 154 Crore received	
Remittances in foreign exchange (Immunities) Scheme, 1991 and India Development Bonds Scheme, 1991	1991	Foreign exchange equivalent to 6400 Crore was collected under these two Schemes	
Voluntary Disclosure of Income Scheme, 1997	1997	33289	9745

It is further mentioned that the one time compliance window provided under the Black Money (undisclosed foreign Income & Assets) Imposition of tax Act, 2015 was not in the nature of voluntary disclosure/amnesty Scheme. However, under the said compliance window an undisclosed foreign assets amounting to Rs. 4164 crore were disclosed by 648 declarants.

(e) Since, the Income Declaration Scheme, 2016 provides for declaration of undisclosed income on voluntary basis, no such estimation has been drawn.

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