GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
STARRED QUESTION NO *80
ANSWERED ON – 11.02.2025

GST CLASSIFICATION AND TAXATION

*80. SHRI MOHAMMED NADIMUL HAQUE:

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

(a) whether Government has conducted any studies or statistical analysis to justify the movement of commodities between different GST slabs based on their perceived-use characteristics, if so, the details thereof; and
(b) whether steps have been taken to reduce arbitrariness and ensure a uniform taxation policy within a four-digit HSN code classification?

ANSWER

MINISTER OF FINANCE
SHRIMATI NIRMALA SITHARAMAN

(a) to (b): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE RAJYA SABHA STARRED QUESTION NO. 80 RAISED BY SHRI MOHAMMED NADIMUL HAQUE FOR 11TH FEBRUARY, 2025, ON GST CLASSIFICATION AND TAXATION:

(a) & (b): As per Article 279A (4) of the Constitution of India, the GST Council shall make recommendations to the Union and the States, on rates, including floor rates with bands of goods and service tax. Thus, the GST rates are notified by the Government based on the recommendations of the GST Council which comprises of representatives of the Union and State/UT Governments. In its 45th meeting held on 17th September, 2021 the GST Council has constituted a Group of Ministers (GoM) on Rate Rationalization. The terms of reference of the GoM are as follows:

(i) *review the supply of goods and services exempt under GST with an objective to expand the tax base and eliminate breaking of ITC chain;*
(ii) *review the instances of inverted duty structure other than where Council has already taken a decision to correct the inverted structure and recommend suitable rates to eliminate inverted duty structure as far as possible so as to minimize instances of refund due to inverted duty structure;*
(iii) *review the current tax slab rates and recommend changes in the same as may be needed to garner required resources; and*
(iv) *review the current rate slab structure of GST, including special rates, and recommend rationalization measures, including merger of tax rate slabs, required for a simpler rate structure in GST.*

The GoM on Rate Rationalization submitted its Interim Report on correction of inverted duty structure and review of GST exemptions which was placed before the GST Council in the 47th meetings of the GST Council held on 28.06.2022 and 29.06.2022. Based on the Interim Report, the tax rates were revised on a number of goods and services. Certain exemptions were also withdrawn on both goods and services. The GoM on Rate Rationalization has not submitted its Final Report.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-227
ANSWERED ON – 04.02.2025

GST ON HEALTH AND LIFE INSURANCE PREMIA

227. SHRI SAKET GOKHALE:

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

(a) whether the Group of Ministers (GoM) made a recommendation in December 2024 to the GST Council to reduce the GST charged on health and life insurance premia, if so, the details of the recommendations made; and
(b) whether the said recommendation has been accepted by the GST Council, if not, the reason therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): During the 55th meeting of the GST Council held on 21st December 2024 in Jaisalmer, the Convener of the Group of Ministers (GoM) on Life and Health Insurance sought more time for finalizing the GoM's recommendations and placing the same before the GST Council. The Council agreed to give more time to GoM to finalize its recommendations.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-228
ANSWERED ON – 04.02.2025

GST ON HEALTH INSURANCE

228. SHRI RAJEEV SHUKLA:

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

(a) whether the Ministry is aware of the impact of high GST rates on health insurance policies;
(b) if so, whether there is any proposal to abolish or to drastically reduce the 18 per cent GST on health insurance;
(c) if so, the details thereof and if not the reasons therefor;
(d) whether there is any proposal to abolish GST on term insurance; and
(e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a), (b), (c), (d) & (e): GST rates and exemptions on all services and goods are prescribed on the recommendations of the GST Council which is a Constitutional body comprising of members from both the Union and State/UT Governments.

The issue of GST on life and health insurance was placed before the GST Council in its 54th Meeting held on 09th September 2024 at New Delhi. After detailed deliberations, the GST Council recommended to constitute a Group of Ministers (GoM) to holistically look into the issues pertaining to GST on life insurance and health insurance. Accordingly, a Group of Ministers (GoM) on Life and Health Insurance was constituted under the Convenership of Sh. Samrat Chaudhary, Hon'ble Deputy CM, Bihar.

During the 55th meeting of the GST Council held on 21st December 2024 in Jaisalmer, the Convener of the Group of Ministers (GoM) on Life and Health Insurance sought more time for finalizing the GoM's recommendations and placing the same before the GST Council. The Council agreed to give more time to GoM to finalize its recommendations.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UNSTARRED QUESTION NO. 232
ANSWERED ON – 04/02/2025

GST collections

232. SMT. RENUKA CHOWDHARY:

Will the Minister of FINANCE be pleased to state:

(a) the total amount of GST collected along with proportional contribution from the lowest income groups, middle-income groups and high-income groups in the last five years;

(b) whether Government is considering to ensure that GST does not unruly burden the economically weaker sections of society, given the disproportionate tax burden suggested by some independent reports;

(c) the steps taken to exempt or reduce GST on goods and services primarily consumed by the lower-income population; and

(d) whether Government has any plans to review the structure of GST and ensure that its implementation is fairer, particularly towards the disadvantaged sections of society?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The details of gross Goods and Services Tax (GST) collection on all supplies (Domestic + Imports) during the last five financial years are given as under:

(In Rs. Crores)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 (till Dec, 2024)
GST Collection (Domestic)	**865,841**	**1,097,546**	**1,324,984**	**1,523,248**	**1,237,405**
Imports	270,964	385,746	482,695	495,001	396,161
Total GST Collection	**1,136,805**	**1,483,292**	**1,807,679**	**2,018,249**	**1,633,566**

However, the GST collection data of proportional contribution is not maintained.

(b), (c) & (d): Even though the rates in GST are independent of the economic status of the consumer, the GST rates have been structured in a manner that goods majorly used by the economically weaker sections are either exempt or have been kept at a lower rate. However, the GST rates and exemptions are prescribed on the recommendations of GST Council, which is a Constitutional body comprising of members from the Centre and the States/UTs, and based on the recommendations of the Council, amendments in the rates are carried out from time to time.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 233
ANSWERED ON - 04/02/2025

“GST EVASION IN PUNJAB”

233. Shri Vikramjit Singh Sahney:

Will the Minister of FINANCE be pleased to state:

(a) the number of cases of GST evasion registered in Punjab since its inception;

(b) the amount involved in this evasion;

(c) the number of people arrested who were involved in cases of GST evasion; and

(d) the details of steps taken by Government to check GST evasion?

ANSWER
MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): In the State of Punjab, during July 2017 to December 2024, the number of GST evasion cases booked by Central Tax formations is 1,386 with GST evasion amount of approximately Rs. 6,454 Cr and involving the arrest of 72 persons.

(d) Following steps have been taken by the Government to check GST evasion:

(i) Input tax credit can only be availed by a registered person in respect of such invoices or debit notes which have been furnished by the supplier in the statement of outward supplies in FORM GSTR-I and details of which have been communicated to the registered person in FORM GSTR-2B;

(ii) A registered person is not allowed to furnish the details of outward supplies under section 37 in FORM GSTR-I, if he has not furnished the return in FORM GSTR-3B for the preceding tax period;

(iii) Filing of FORM GSTR-I is made mandatory before filing of FORM GSTR-3B for a tax period and filing of FORM GSTR-I has been made mandatorily sequential;

(iv) Electronic invoicing (e-invoice) has been made mandatory for all B2B transactions for businesses with turnover exceeding Rs. 5 crore;

(v) Rule 8 of CGST Rules, 2017 has been amended to provide for OTP based verification of PAN at time of registration on the mobile and email address linked with PAN. This will help in preventing GST registration using PAN of other persons, without their knowledge;

(vi) Sub-rule (4A) has been inserted in Rule 8 of CGST Rules, 2017 to provide for risk based biometric-based Aadhaar authentication of registration applicants;

(vii) Biometric-based Aadhar authentication of GST registration applications has been extended on pan-India basis. Besides, it has been provided through amendment in rule 8(4A) of CGST Rules that an applicant who has not opted for Aadhaar authentication, will also be required to visit GST Suvidha Kendra for taking of photograph and for document verification;

(viii) Amendment has been made in Rule 9 of GGST Rules, 2017 to provide for physical verification in high risk cases, even when Aadhaar has been authenticated;

(ix) Amendment in Rule 10 A of CGST Rules, 2017 has been made to provide that the details of bank account will be required to be furnished within 30 days of grant of registration or before filing of statement of outwards supply under section 37 of CGST Act, 2017 in FORM GSTR-I/ Invoice Furnishing Facility, whichever is earlier;

(x) Centralized suspension of registrations pertaining to registered persons who default in timely filing of returns;

(xi) Beneficiary (master mind), who retains benefit or at whose instance a supply has been made without the issuance of an invoice, or invoice has been issued without supply, or excess ITC has been availed/distributed, has been made liable for penalty similar to that of actual supplier/recipient.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-241
ANSWERED ON – 04.02.2025

SLOWDOWN IN GST REVENUE GROWTH

241. SHRI DEREK O' BRIEN:

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

(a) whether Government is aware that the net GST revenue growth in the first three quarters of FY 2024-25 stands at 8.6 per cent, below the budgeted 11 per cent, if so, the reasons therefor; and
(b) whether Government has identified the factors behind the sharp moderation in net collections in December 2024, particularly the 45.3 per cent uptick in refunds and the slowing growth in revenues from imports and domestic transactions?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) : The Budget Estimate with respect to Net Central GST Collection [CGST (net) + IGST (residual) + GST Compensation Cess] for FY 2024-25 was fixed factoring in growth of 11% over Actual Net GST Collection for FY 2023-24 (provisional).

Net GST Collection (Centre + State) before the apportionment and fund settlement of IGST between Centre and States has shown a y-o-y growth of 8.6% for the period April-December, 2024-25 whereas the Budgeted Growth rate of 11% is with respect to Net Central GST Collection post the apportionment and fund settlement of IGST to Centre.

Net Central GST Collection for first three quarters of FY 2024-25 [April-December] has recorded a y-o-y growth of 10.2%. The actual growth rate of 10.2%..

(b): Figures relating to percentage growth in monthly refund for GST (Centre + State) have shown wide variation from month to month. The cumulative (upto the month) refund data, however, shows a y-o-y growth of 13.5% for the period April-December, 2024-25.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-246
ANSWERED ON – 04.02.2025

GST EXEMPTION FOR DRILLING BOREWELLS

246. SHRI K.R.N. RAJESHKUMAR:

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

(a) whether GST exemption for drilling borewells for agriculture as per Section 66D(d)(i) of Finance Act 1994, continued under GST via notification 12/2017-CT(Rate);
(b) if so, the guidelines/clarifications Government issued to ensure smooth GST exemption implementation, and whether misinterpretations in this regard is leading to undue tax imposition on these services; and
(c) the steps taken to address such misinterpretations and ensure consistent application of the exemption across country, and whether Government is considering any further measures to simplify the process of availing this exemption for the benefit of farmers and agricultural businesses?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Services by way of drilling of bore wells for supply of water for the production of any agricultural produce were covered by the scope of the negative list during the Service Tax period in terms of section 66D(d)(i) of the Finance Act, 1994, which read as under:

Services relating to agriculture or agricultural produce by way of agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing

Services covered by section 66D(d)(i) of the Finance Act, 1994, have also been exempted in the GST period, vide Sl. No. 54(a) of notification No. 12/2017-Central Tax(Rate) dated 28.06.2017, which reads as under:

Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing.

(b) & (c): Any clarifications under GST are issued based on the recommendations of the GST Council, which is a Constitutional body comprising of members from both Centre and States/UTs. There is no recommendation from the GST Council to issue any such guideline/clarification.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-856
ANSWERED ON – 11.02.2025

GST ON EDUCATIONAL SERVICES

856. DR. DHARMASTHALA VEERENDRA HEGGADE:

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

(a) whether Goods and Services Tax (GST) is collected on commercial training and coaching services, educational books, services provided by educational institutions to its students, faculty, and staff;
(b) if so, the details of GST collected from the above services during the last three years; and
(c) the measures proposed to be taken to provide relief in GST to the education related services to ensure affordability and accessibility for students?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a); (i) As per SI. No. 30 of Notification No. 8/2017- Integrated Tax (Rate), dated 28th June 2017, services of "commercial coaching or training" are taxable at 18%.
(ii) As per SI. No. 69 of Notification No. 9/2017- Integrated Tax (Rate), dated 28th June 2017, services provided by an educational institution to its students, faculty and staff are exempt.
(iii) As per S. No. 119 of Schedule I of Notification No. 2/2017-Integrated Tax (Rate), dated 28th June 2017, printed books under HSN Code 4901 are exempt from GST.

(b): GST revenue collected on education services, which are not exempt, such as commercial training and coaching, for the past three years is tabulated below [Rs. in Crores]:

SAC Code: 9992

Year	Total
2021-2022	2,859.49
2022-2023	4,342.28
2023-2024	4,793.24

**Data Source: GSTN*

(c): GST rates and exemptions are prescribed based on the recommendations of the GST Council, which is a Constitutional body comprising of members from both the Union and State/UT Governments.

In addition to the exemptions indicated in response to part (a) of the question above, the following exemptions have also been provided under SI. No. 69(b) of Notification No. 9/2017 - Integrated Tax (Rate), dated 28th June 2017, for services provided to educational institution, by way of –

(i) transportation of students, faculty and staff - for institutions providing services up to higher secondary school or equivalent;
(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory – for institutions providing services up to higher secondary school or equivalent;
(iii) security or cleaning or house-keeping services performed in such educational institution - for institutions providing services up to higher secondary school or equivalent;
(iv) services relating to admission to, or conduct of examination by, such institution;
(v) supply of online educational journals or periodicals – except for institutions providing services by way of preschool education and education up to higher secondary school or equivalent; or education as a part of an approved vocational education course;

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GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

RAJYA SABHA

UNSTARRED QUESTION No. 857

ANSWERED ON- 11/02/2025

GST REFORMS

857 SHRI RAJEEV SHUKLA:

Will the Minister of FINANCE be pleased to state:-

(a) whether Government is considering to undertake next phase of reforms to improve upon the existing GST implementation in the country as suggested by a consortium of Indian industries;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the proposed measures to be taken in this respect to enhance Ease of Doing Business in the country?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): Decisions under GST are taken based on the recommendations of the GST Council, which is a constitutional body under Article 279A of the Constitution of India. Government has been sensitive to the challenges faced by the trade and industry, especially small and medium taxpayers and is open to the suggestions for further betterment of the GST regime. Based on the suggestions received from the various stake holders including Indian industry associations, the Government, on the recommendations of GST Council, has proactively taken several measures from time to time to reduce the compliance burden of taxpayers, simplify the tax regime and to promote ease of doing business. Government has issued several notifications for amendment in the GST Law and procedure for the facilitation of trade and easing tax compliances. Moreover, many clarificatory circulars have also been issued to clarify various issues being faced by the taxpayers. Some of the recent measures/reforms undertaken by the Government, on the recommendations of GST Council, for benefit of trade and industry are as under:

(i) Retrospective amendment w.e.f. 01.07.2017 has been made in respect of Section 16(4) of Central Goods and Services Tax Act, 2017 to increase the time limit to avail input tax credit in respect of any invoice or debit note pertaining to the financial years 2017-18, 2018-19, 2019-20 and 2020-21, through any GSTR 3B return filed upto 30.11.2021.

(ii) Section 128A has been inserted in Central Goods and Services Tax Act, 2017, leading to waiver of interest and penalties for demand notices issued under Section 73 of the CGST Act for the fiscal years 2017-18, 2018-19 and 2019-20, in cases where the taxpayer pays the full amount of tax demanded in the notice upto 31.03.2025.

(iii) Amendment has been made in Section 107 and Section 112 of Central Goods and Services Tax Act, 2017, for reducing the amount of pre-deposit required to be paid for filing of appeals under GST.

(iv) To facilitate small taxpayers in making supply of goods through e-commerce operators (ECOs), and to provide parity in intra-state offline and online supply of goods, the requirement of mandatory registration for intra-state supply of goods through ECOs has been conditionally waived off with effect from 01.10.2023. Composition taxpayers have been allowed to make intra-State supply through ECOs subject to certain conditions with effect from 01.10.2023.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UNSTARRED QUESTION NO-1371
ANSWERED ON – 11/03/2025

REQUEST FOR REDUCTION OF GST RATES

1371. SHRI R. GIRIRAJAN:

Will the Minister of Finance be pleased to state:
(a) whether Government has received any request from traders, manufacturing units and service sector from Tamil Nadu to reduce the GST rates from the existing rates and if so, the details thereof;
(b) whether Government has received any request to reduce the GST rates of certain service products from 18 to 12 per cent and 12 to 5 per cent and if so, the details thereof; and
(c) whether Government has any plans to reduce the GST rates for Medical equipment and instruments including stents and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The Government has received requests from trade associations from Tamil Nadu such as, Tamil Nadu Foodgrains Merchants Association, Camphor Tableters Association seeking reduction in GST rates on several essential edible foods, camphor meant for aarti. Similarly, request has been received to exempt services provided by a foreman of a chit fund. GST rates and exemptions, on both goods and services, are prescribed on the recommendations of the GST Council which is a constitutional body comprising of members from both the Union and the States/UT government. Therefore, for GST exemption or reduction in GST rate, recommendation of GST Council would be required..

(c): GST rates and exemptions, on both goods and services, are prescribed on the recommendations of the GST Council which is a Constitutional body comprising of members from both the Union and the States/UTs. There is no such recommendation of the GST Council.

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GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

RAJYA SABHA

UNSTARRED QUESTION No. 1982

ANSWERED ON- 18/03/2025

EASE OF COMPLIANCE UNDER GST

1982 DR. SUDHANSHU TRIVEDI:

Will the Minister of FINANCE be pleased to state:-

(a) whether Government has taken any steps to ease the compliance under GST for MSMEs and small taxpayers since the introduction of GST;

(b) if so, the details thereof;

(c) the steps taken in the last five years to simplify and streamline GST procedures to facilitate trade and commerce in the country; and

(d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (d): Yes, Government on the recommendations of GST council, has proactively taken several measures from time to time to reduce the compliance burden of taxpayers, to simplify the GST and to promote ease of doing business in the country. Some of the major policy measures under taken/being taken by the Government in this regard are as under:

(i) The threshold limit of annual turnover for registration under GST for entities engaged in supply of goods has been increased to Rs. 40 lakhs (other than some special category States) effective from April 1, 2019, which was initially Rs. 20 lakhs. This ensures that no GST compliance is required by such small units below the above threshold turnover and no GST is required to be paid by such units upto the said threshold turnover.

(ii) The threshold limit of annual turnover for supply of goods under composition scheme has been increased to Rs. 1.5 crore (other than some special category States) effective from 1st April 2019, which was initially Rs. 75 lakhs. Such taxpayers under composition scheme are required to file a return on annual basis, thus reducing their compliance burden substantially.

(iii) A scheme of quarterly return filing and monthly payment (QRMP) has been introduced where small taxpayers with turnover up to Rs. 5 crores have an option to file returns on quarterly basis, instead of monthly return

(iv) Functionality for filing of NIL GST monthly return through SMS has been created for benefit of taxpayers.

(v) Refund process has been made completely electronic with the process of filing, processing and sanction of refund done completely electronically.

(vi) To reduce compliance burden on small taxpayers, exemption has been provided from filing annual return to taxpayers having annual Aggregate Turnover upto Rs. 2 crores.

(vii) To facilitate and ease return filing process, an auto-generated return with editing facility is being provided to the taxpayers on the portal based on details of the outward supplies furnished by the taxpayer and their suppliers.

(viii) A new option has been provided to allow the amendment of outward supplies of goods or services for current tax period.

(ix) UPI, Credit Card and IMPS have been provided as additional modes for payment of GST to facilitate taxpayers and to further encourage digital payment.

(x) To facilitate small taxpayers in making supply of goods through e-commerce operators (ECOs), the requirement of mandatory registration for intra-state supply of goods through ECOs has been waived off with effect from 01.10.2023 subject to fulfillment of certain conditions.

(xi) Retrospective amendment w.e.f. 01.07.2017 has been made to increase the time limit to avail input tax credit in respect of any invoice or debit note pertaining to the financial years 2017-18, 2018-19, 2019-20 and 2020-21, through any GSTR 3B return filed upto 30.11.2021.

(xii) Section 128A has been inserted in Central Goods and Services Tax Act, 2017, leading to waiver of interest and penalties for demand notices issued under Section 73 of the CGST Act for the fiscal years 2017-18, 2018-19 and 2019-20, in cases where the taxpayer pays the full amount of tax demanded in the notice upto 31.03.2025.

(xiii) Amendment has been made in Section 107 and Section 112 of Central Goods and Services Tax Act, 2017, for reducing the amount of pre-deposit required to be paid for filing of appeals under GST.

(xiv) To reduce burden of late fee on smaller taxpayers, late fee structure has been rationalized, from June, 2021 tax period onwards, by aligning the upper cap of late fee with tax liability/ turnover of the taxpayer.

(xv) Decriminalization of certain offences have been carried out in Central Goods and Services Tax Act, 2017.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-1997
ANSWERED ON – 18.03.2025

SIMPLIFYING GST STRUCTURE

1997. SHRI K.R.N. RAJESHKUMAR:

Will the Minister of Finance be pleased to state:
(a) the pending proposals for simplifying the Goods and Services Tax (GST) structure, including the measures to reduce the number of tax slabs, the plans to remove exemptions and the steps to simplify compliance procedures; and
(b) the steps taken to improve financial inclusion and digital banking, including the expansion of banking services to unbanked areas, the growth of digital payment systems and the measures to enhance financial literacy?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The GST Council in its 45th meeting held on 17th September, 2021, has constituted a Group of Ministers to look into issues relating to rate rationalisation. The terms of reference for the GoM include:

(i) review the supply of goods and services exempt under GST with an objective to expand the tax base and eliminate breaking of ITC chain;

(ii) review the current tax slab rates and recommend changes in the same as may be needed to garner required resources;

(iii) review the current rate slab structure of GST, including special rates, and recommend rationalization measures, including merger of tax rate slabs, required for a simpler rate structure in GST.

The Group of Ministers submitted its interim report which was considered by the GST Council in its 47th meeting.

No report of the Group of Ministers is presently pending for consideration of the Council.

(b): In order to ensure availability of a banking outlet (Bank branch/ Business Correspondent/ India Post Payments Bank) within 5 kilometres of all inhabited villages in the country, the Government has launched a Geographic Information System (GIS) based App., namely, Jan Dhan Darshak (JDD) App.

The endeavor of the Government is to ensure availability of banking outlets (Bank branch/Business Correspondent/ India Post Payments Bank) within 5 kilometers of all inhabited villages in the country. Based on the data uploaded by Banks on the JDD App, as on 28.02.2025, out of total 6,01,328 inhabited villages in the country, 6,00,720 (99.90%) villages are covered with banking outlets (Bank branch / BC / IPPB) within a radius of 5 Km.

Hon'ble PM dedicated 75 Digital Banking Units (DBUs) in 75 districts of the country to commemorate 75 years of independence of our country (Azadi ka Amrit Mahotsav) on 16.10.2022.

DBUs have been introduced to further the objective of improving the availability of digital infrastructure while accelerating and widening the reach of digital banking services. As on January 2025, 107 DBUs have been setup across the country.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-2003
ANSWERED ON – 18.03.2025

WITHDRAWAL OF GST ON LIFE AND HEALTH INSURANCES

2003. SHRI RITABRATA BANERJEE:

Will the Minister of Finance be pleased to state:
(a) whether it is a fact that Government has decided to withdraw the 18 % GST on life and health insurances;
(b) if so, the details thereof; and
(c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a), (b) & (c): GST rates and exemptions on all services and goods are prescribed on the recommendations of the GST Council which is a Constitutional body comprising of members from both the Union and State/UT Governments.

The issue of GST on health and life insurance was placed before the GST Council in its 54th meeting held on 09th September 2024 in New Delhi. After detailed deliberations, the GST Council recommended to constitute a Group of Ministers (GoM) to holistically look into the issues pertaining to GST on life insurance and health insurance. Accordingly, a Group of Ministers (GoM) on Life and Health Insurance was constituted under the Convenorship of Sh. Samrat Choudhary, Hon'ble Deputy CM, Bihar.

During the 55th meeting of the GST Council held on 21st December 2024 in Jaisalmer, the Convenor of the Group of Ministers (GoM) on Life and Health Insurance sought more time for finalizing the GoM's recommendations and placing the same before the GST Council. The Council agreed to give more time to the GoM to finalize its recommendations.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UNSTARRED QUESTION NO. 2004
ANSWERED ON – 18/03/2025

GST implementation in Odisha

2004. SHRI MANAS RANJAN MANGARA:

Will the Minister of FINANCE be pleased to state:

(a) the implementation status of the Goods and Services Tax (GST) in Odisha;

(b) the total GST revenue collected by Odisha in the last fiscal year;

(c) whether there have been any challenges in GST collection in Odisha; and

(d) the steps being taken to improve GST compliance and revenue generation in the State?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) GST has been implemented in the whole country including the State of Odisha, w.e.f. 1st July, 2017.

(b) The details of the GST revenue collection for the State of Odisha during the FY 2023-24 are as under: -

GST Revenue Collection for the FY 2023-24				
				Rs in Crores
CGST	SGST	IGST	CESS	TOTAL
13,823	16,455	15,102	9,368	54,748

Further, an amount of Rs 8,487 Crores has been settled from IGST portion to the State of Odisha during the FY 2023-24.

(c) & (d) Specific state-wise challenges are not examined. However, GoM has been constituted to analyse state-wise revenue trends and suggest policy recommendations for revenue augmentation and analyse impact of economic and other factors on GST revenue.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-2770
ANSWERED ON – 25.03.2025

EXEMPTING MEDICINES AND MEDICAL GOODS FROM GST

2770. SMT. JEBI MATHER HISHAM:

Will the Minister of Finance be pleased to state:
(a) whether Government is considering removing GST on all medicines and medical goods to reduce out-of-pocket healthcare expenses, if so, the proposed timeline;
(b) whether Government has observed that Jan Aushadhi outlets impose GST on the MRP of medicine, whether directives would be issued to prevent this practice;
(c) whether current legislation allows the imposition of GST on the MRP of medicines, the details thereof;
(d) whether Government will exempt GST on medicines, consumables, and food provided to inpatients in hospitals, the implementation timelines thereof; and
(e) State/UT-wise data on GST collected from medicines and medical goods over the past five financial years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): GST rates and exemptions are prescribed on the recommendations of the GST Council which is a constitutional body comprising of members from Union and State/UT governments. There is no such recommendation of the Council.

(b) and (c): GST is imposed on Jan Aushadhi medicines as per the provisions of the GST Acts and the decisions of the GST Council, with the applicable tax included in the MRP of the medicines. The Pharmaceuticals & Medical Devices Bureau of India (PMBI) follows these provisions when determining the MRP, ensuring that all medicines are sold at a fixed price across India, inclusive of the respective GST slab. As per GST Acts, GST is levied on the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

(d): GST rates and exemptions are prescribed on the recommendations of the GST Council which is a constitutional body comprising of members from Union and State/UT governments. However, health care services by a clinical establishment, an authorised medical practitioner or para-medics are fully exempt from GST, where room charges do not exceed Rs 5000 per day per patient. In addition, food supplied to in-patients is also exempt as part of composite supply of such health care services.

(e): State/UT wise data on GST collected from medicines and medical goods for the period from 2019-20 to 2023-24 is enclosed as Annexure.

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Annexure to RS Unstarred PQ 2770

Rs in Crores

State	2019-20	2020-21	2021-22	2022-23	2023-24
Jammu and Kashmir	139.41	138.55	157.62	172.39	196.16
Himachal Pradesh	522.88	487.36	448.80	348.63	451.66
Punjab	409.03	413.84	426.03	436.31	578.50
Chandigarh	38.61	32.81	44.02	52.67	57.96
Uttarakhand	213.51	188.44	211.62	205.18	238.55
Haryana	338.44	426.58	530.77	570.29	690.82
Delhi	383.57	388.35	763.25	473.10	531.36
Rajasthan	188.86	184.20	307.53	348.47	403.35
Uttar Pradesh	743.59	744.80	933.18	981.59	1,123.81
Bihar	99.30	113.94	171.90	204.54	225.99
Sikkim	1,716.40	1,740.99	1,993.06	2,182.23	2,415.51
Arunachal Pradesh	0.96	2.87	0.68	1.01	2.16
Nagaland	2.11	1.71	2.40	3.75	5.28
Manipur	3.43	3.15	3.54	3.50	4.35
Mizoram	0.80	0.99	1.06	1.23	1.04
Tripura	7.08	4.97	7.24	8.29	9.07
Meghalaya	9.29	8.51	10.00	11.75	7.84
Assam	336.30	422.55	517.88	583.58	663.92
West Bengal	352.44	371.64	429.34	476.65	592.33
Jharkhand	35.08	42.62	60.14	64.59	70.72
Odisha	77.45	82.69	114.46	121.36	141.09
Chattisgarh	32.44	38.11	58.93	57.81	63.43
Madhya Pradesh	199.04	216.44	293.32	253.95	343.84
Gujarat	408.42	412.28	566.43	548.01	711.92
Daman and Diu	29.79	6.37	-	-	-
Dadra and Nagar Haveli	8.38	25.79	37.47	24.19	40.69
Maharastra	889.67	827.93	1,385.46	1,208.74	1,309.46
Karnataka	362.45	430.18	498.17	517.04	684.60
Goa	127.56	93.54	101.39	113.51	109.56
Lakshadweep	-	0.00	0.00	-	0.00
Kerala	258.58	266.01	357.43	435.80	482.55
Tamil Nadu	528.95	478.69	680.80	733.29	817.36
Puducherry	19.96	28.63	37.93	34.84	32.61
Andaman and Nicobar Islands	0.50	0.59	0.69	0.78	0.96
Telangana	236.17	259.02	360.74	329.35	390.12
Andhra Pradesh	141.22	156.93	209.15	198.89	216.06
Ladakh	0.00	0.07	0.11	0.27	1.85
Total	**8,861.70**	**9,042.13**	**11,722.52**	**11,707.56**	**13,616.48**

Source: GSTN

Note: Data is for CTH 3003 to 3006 and 9018 to 9022. The percentage contribution to each sector using figures from Table-12 of GST return for each GSTIN and each Return Period has been calculated. The figures have been apportioned from GSTR 3B (taxable value and Cash Used) to get contribution for each GSTIN, return period and aggregate.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-3420
ANSWERED ON – 01.04.2025

ACTUAL COLLECTIONS OF GST

3420. SMT. RANJEET RANJAN:

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

(a)) the annual GST collection targets over the past five years and how the actual collections have compared with these targets;
(b) the total number of GST evasion cases detected since 2020, along with the corresponding value of taxes recovered;
(c) how Government evaluates the effectiveness of measures such as e-invoicing and GSTN analytics in identifying systemic gaps, improving compliance, and preventing recurring tax evasion; and
(d) the impact of these measures on improving revenue collection and addressing gaps in the system?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The actual revenue collection w.r.to Net Central GST compared to the Budget / Revised Estimates during the past five financial years are as follows:

Net Central GST Collection
(CGST + IGST (residual) + GST Compensation Cess)

Financial Year	Budget Estimates (BE)	Revised Estimates (RE)	Actual Collection	% of BE Achieved	% of RE Achieved
2019-20	6,63,343	6,12,327	5,98,749	90.3%	97.8%
2020-21	6,90,500	5,15,100	5,48,777	79.5%	106.5%
2021-22	6,30,000	6,75,000	6,98,114	110.8%	103.4%
2022-23	7,80,000	8,54,000	8,49,132	108.9%	99.4%
2023-24	9,56,600	9,56,600	9,57,208	100.1%	100.1%

Source: Receipt Budget

(b): The total number of GST evasion cases detected by Central Government, since 2020 along with the corresponding value of taxes recovered are as follows:

Total Number of GST Offence Cases			
Period	**No. of Cases**	**Detection (In Rs. Cr.)**	**Voluntary Deposit (In Rs. Cr.)**
2020-21	12596	49384	12235
2021-22	12574	73238	25157
2022-23	15562	131613	33226
2023-24	20582	230332	31758
2024-25 (upto January, 2025)	25397	194938	21520
Total	**86711**	**679505**	**123896**
Total Number of ITC Fraud Cases			
Period	**No. of Cases**	**Detection (In Rs. Cr.)**	**Voluntary Deposit (In Rs. Cr.)**
2020-21	7268	31233	2232
2021-22	5966	28022	2027
2022-23	7231	24140	2484
2023-24	9190	36374	3413
2024-25 (upto January, 2025)	13018	46472	2211
Total	**42673**	**166241**	**12367**

Source: GST Investigation Wing;

(c) &(d): There are various steps / measures taken by Central Government & GSTN to help in improving compliance and preventing tax evasions such as digitization through E-invoicing, GST analytics such as automated risk assessment based on compliance attributes of taxpayer, highlighting of outliers based on system-flagged mismatches, providing intelligence inputs with an aim to manage GST revenue risks through various tools with a view to generate actionable reports, generating inputs regarding GST non-compliances or evasion on the basis of identifying anomalies in taxpayer behaviour (such as potential tax evasion, fraudulent registration, and suspicious e-way bill activity etc.) and selection of returns for scrutiny and selection of taxpayers for audit based on various risk parameters. These measures are helpful in safeguarding the revenue and nabbing the evaders. Certain projects were also undertaken such as "Project Anveshan" (Analytics, Verification, Shortlisting of Anomalies) whereby newer techniques like Facial Recognition System (FRS), E-way bill data etc. were used for early identification of GSTINs with propensity for fake/ fraudulent activity to generate Intelligence reports.

While the above measures contribute to revenue collection, the impact of such measures in identifying systemic gaps, improving compliance and preventing recurring tax evasion is not ascertainable.

The outcomes such as revenue growth and reduction in instances of tax evasion cannot be attributed solely to all or any such individual measure, as various other factors such as global economic conditions, economic growth in the country, level of domestic consumption of goods & services, tax rate etc. are also relevant for this.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-3446
ANSWERED ON – 01.04.2025

GST ON FOOD DELIVERY APPS

3446. SHRI GOLLA BABURAO:

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

(a)) whether it is a fact that Government is planning to impose 5 per cent GST without input credit on food delivery apps like Zomato, Swiggy etc.; and
(b) if so, the details of quantum of amount of burden on consumers annually?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): GST rates and exemptions on all services and goods are prescribed on the recommendations of the GST Council which is a Constitutional body comprising of members from both the Union and State/UT Governments.

GST on restaurant services, other than those located at specified premises, is leviable at 5% without input tax credit whether provided through Electronic Commerce Operators (ECOs) like Zomato, Swiggy etc. or provided directly by the restaurants.

A proposal to clarify the applicable rate of GST on services of delivery of food in relation to orders placed on food delivery apps like Zomato, Swiggy etc. was placed before the 55th GST Council held on 21st December, 2024. The GST Council recommended that the issue needs further examination.

Other services provided by the food delivery apps like Zomato, Swiggy etc., such as platform services, are levied GST at the rate of 18%.

(b): Does not arise in view of (a) above.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
STARRED QUESTION NO. *86
TO BE ANSWERED ON TUESDAY, FEBRUARY 11, 2025

‘TAXES COLLECTED BY GOVERNMENT’

***86. SHRI RAMJI LAL SUMAN:**

Will the Minister of Finance be pleased to state:

(a) whether Government is collecting ₹55 to 60 as taxes out of every ₹100 earned by the Indian citizens in the form of income tax, GST, excise duty, cess etc;
(b) if so, the details thereof;
(c) whether taxes collected from the citizens are more than the taxes collected during pre-independence era;
(d) if so, the reasons therefor; and
(e) if not, the percentage of tax collected during pre-independence era and now as income tax, GST, customs, excise, cess etc, out of every ₹100 earned?

ANSWER

THE MINISTER OF FINANCE

(SMT. NIRMALA SITHARAMAN)

(a) to (e): A statement is placed on the Table of the House.

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Statement referred to in reply to RAJYA SABHA Starred Question No. *86 for answer on 11th February, 2025 raised by Shri Ramji Lal Suman regarding "Taxes collected by Government".

(a) to (d): Under the Indian income-tax legislation, the income-tax is liable to be paid by an individual depending on his total income, basic exemption limit and rebate. If the income of an individual is below the basic exemption limit, he is not liable to pay income-tax. The current Budget 2025-26 proposes that under the new regime, the higher tax rate of 30% will apply to total income exceeding Rs. 24 lakh. Further, the Government has proposed that there will be no income tax payable upto income of Rs.12 lakh. It has also been proposed to change the slabs and reduce the rates.

(e): The Goods and Services Tax (GST), which came into effect on 1st July 2017, replaced several indirect taxes in India, such as excise duty, VAT, and service tax. The primary GST slabs for regular taxpayers are currently set at 0% (nil-rated), 5%, 12%, 18% and 28%. There are also lesser-used GST rates such as 3% and 0.25%. The GST regime has laid the foundation for a seamless national market, reshaping India's tax landscape and fostering economic growth.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
STARRED QUESTION NO.*187
ANSWERED ON 18/03/2025

RESOLUTION OF TAX LITIGATIONS

*187. ShriVivek K. Tankha:

Will the Minister of Finance be pleased to state:

(a) the total number of tax disputes currently pending in various courts and tribunals;
(b) the estimated amount of tax revenue locked in litigations; and
(c) whether Government proposes any special mechanisms or fast-track courts to resolve these disputes expeditiously?

ANSWER
THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (c): A statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. *187 FOR REPLY ON 18.03.2025 REGARDING "RESOLUTION OF TAX LITIGATIONS" ASKED BY SHRI VIVEK K. TANKHA.

(a) & (b): The total number of tax disputes pending in various courts and tribunals and the estimated amount of tax revenue locked up in litigation are as follows: -

S. No.	**Forum**	**Indirect Taxes (as on 31/01/2025**		**Direct Taxes (as on 31/12/2024)**	
		Number	**Amount (Rs. Cr.)**	**Number**	**Amount (Rs. Cr.)**
1	Supreme Court	2571	109098.3	6730	25708.2
2	High Court	24184	263732.6	41548	487989.2
3	CESTAT/ITAT	55256	203216.7	23175	670216.0
	Total	**82011**	**576047.6**	**71453**	**1183913.4**

(c): The following steps have been taken by the Government to resolve tax disputes expeditiously in case of direct taxes:

- In pursuance of section 245MA in the Income-tax Act, 1961, the CBDT has notified the e-Dispute Resolution Scheme, 2022 (e-DRS) with the aim to reduce litigation and provide relief to eligible taxpayers.
- Direct Tax Vivad se Vishwas Scheme, 2024 ("the DTVSV Scheme 2024") has been introduced since 1.10.2024 as a one time measure of dispute resolution. As per the scheme, the appellant, in whose case objections before DRP/ appeal/writ petition/ special leave petition has been filed by him or by the Income Tax Authority or both, can avoid litigation by paying the amount, decided by the designated authority as per the Scheme.
- Vide Circular dated 17.09.2024, the CBDT has enhanced the monetary limits of filing appeals by the Department before the ITAT, HC and SC to Rs. 60Lakhs, 2 Cr. And 5 Cr. in 2024. The revision of monetary limits of filing appeals has been undertaken from time to time.
- In the sphere of international taxation, the Department has adopted the Advance Pricing Agreement ("APA") under section 92CC of the Act. An APA is an agreement between the tax administration and the taxpayer, which determines, in advance, the Arm's Length Price ("ALP") or specifies the manner of the determination of ALP (or both), in relation to an international transaction. The APA programme has contributed immensely in prevention/ resolution of protracted tax disputes by providing tax certainty to taxpayers.
- The Rule 44G of the Income Tax Rules deals with the issue of implementation of Mutual Agreement Procedure ("MAP"). MAP is an alternate tax dispute resolution mechanismavailable to the taxpayers under the DTAAs for resolving disputes giving rise to double taxation or taxation not in accordance with DTAAs.
- In line with the international best practice Government of India has incorporated a scheme of Advanced Tax Ruling in the Act and accordingly, the CBDT has constituted 3 Boards of Advance Ruling as per Section 245-OB of the Act. A non-resident investor can obtain certainty on its liability towards income tax even before undertaking the investment in India. Further, even a resident entity can obtain a Ruling on the taxability of a transaction and avoid long-drawn litigation, as the Scheme is also available to a resident taxpayer seeking an advance ruling concerning its tax liability arising out of one or more transactions, valuing Rs.100 crore or more in total.

The Following steps have been taken in the case of Indirect Taxes:

- A circular No.1081//202-EX dated 19.01.2022 was issued by the Board wherein the field formations have been instructed to file Miscellaneous Application for early hearing, out of turn hearing, early decision, stay vacation, bunching of cases as per merits/requirement to reduce the pendency in various appellate fora.
- Monetary limits for filing appeals in various fora w. r. t. Legacy (C. Ex. & S. Tax), Customs & GST appeals have been enhanced/introduced vide Instructions dated 06.08.2024, 02.11.2023 and Circular dated 26.06.2024 respectively. Post enhancement, the monetary limits are as under:

S. No.	Appellate Forum	Enhanced Monetary Limits (Instruction dated 06.08.24)	Enhanced Monetary Limits (Instruction dated 02.11.23)	Introduced Monetary Limits (Circular dated 26.06.24
		Legacy (C. Ex & S. Tax)	Customs	GST
1	Supreme Court	Rs. 5 Crore	Rs. 2 Crore	Rs. 2 Crore
2	High Courts	Rs. 2 Crore	Rs. 1 Crore	Rs. 1 Crore
3	CESTAT	Rs. 60 Lakh	Rs. 50 Lakh	Rs. 20 Lakh

Consequent to enhanced monetary limits, total 200 Legacy Appeals & 14 Customs Appeals have been dismissed (as withdrawn) on account of monetary limits by the Hon'ble Supreme Court.

- Early Hearing Applications are being filed in the Supreme Court for the priority disposal of high-revenue cases involving revenue of Rs.10 crores and above. Currently, 108 such applications have been filed in the Supreme Court, and a further 188 applications are in the process of being filed. A similar practice is followed in High Courts and CESTAT.
- In CESTAT, cases involving similar issues are being bunched for priority disposal.
- Field formations have been instructed that in matters where Department has lost in two consecutive previous stages of appeal, the proposal for any further appeal at a higher forum has to be accompanied with a certificate of satisfaction by the concerned Chief Commissioner that the Department has a strong case on merits.
- CBIC has empowered Zonal Principal Chief Commissioners/Chief Commissioners to redistribute pending appeals among other Commissioner (Appeals) and equivalent officers within their jurisdiction.
- CBIC has recently issued a letter dated 27.09.2024 to all Zonal Principal Chief Commissioners/Chief Commissioners to undertake periodical review of the appeals pending with Commissioner (Appeals) and Additional/Joint Commissioner (Appeals) to reduce the pendency of first appeals.
- CBIC has recently notified scheme under Section 128A of the CGST Act, 2017 (to be effective from 01.11.2024) to give total waiver of interest and penalty for specified non-fraudulent GST demand notices under section 73 relating to F.Y. 2017-18 to 2019-20.
- CBIC introduced SAMAY software for systematic adherence and management of timelines for yielding results in litigation.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
STARRED QUESTION NO. *193

ANSWERED ON - 18/03/2025

‘DIFFICULTIES FACED BY TAX PAYERS IN GOA’

***193. SHRI SADANAND MHALU SHET TANAVADE:**

Will the Minister of FINANCE be pleased to state: -

(a) Whether taxpayers in Goa who attract Section 5A of the Income-Tax Act, 1961, are facing difficulties due to non-apportionment or incorrect apportionment of TDS amounts between spouses at CPC Bangalore;

(b) The number of cases from Goa where erroneous tax demands have been issued due to the non-apportionment or incorrect apportionment of income under Section 5A, along with the number of pending appeals related to this issue; and

(c) The steps being taken to fast-track pending appeals and strengthen guidelines to ensure that taxpayers in Goa are not unfairly burdened under the faceless regime?

ANSWER

THE MINISTER OF FINANCE

(SMT. NIRMALA SITHARAMAN)

(a) to (c): A statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. *193 FOR REPLY ON 18.03.2025 REGARDING 'DIFFICULTIES FACED BY TAX PAYERS IN GOA' ASKED BY SHRI SADANAND MHALU SHET TANAVADE.

a) The taxpayers in Goa, who attract section 5A of the Income Tax Act, 1961 are governed by the Portuguese Civil Code. To address the difficulties faced by such tax payers necessary provision has been made in the Income Tax Returns (ITRs) to report the apportionment of the Tax Deducted at Source (TDS) between the spouses. TDS credit is given based on this information provided by such tax payers and in accordance with section 199 of the Income tax Act, 1961 read with Rule 37BA of the Income Tax Rules, 1962. Accurate reporting in the said Schedule ensures error free processing and minimizes discrepancies in the grant of TDS credit.

b) The information regarding the demand raised and pending appeals on this issue is given hereunder:

Sl.No	**AY**	**No. of cases in which demand is raised**	**No. of cases in which *suo motu* rectification has been carried out**	**No. of cases where rectification is pending**	**No. of cases where appeal is filed out of col. (3)**	**No of cases where appeal is pending out of col (6)**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
1	2021-22	243	243	0	9	3
2	2022-23	301	301	0	16	12
3	2023-24	1076	1063	13	9	6
4	2024-25	1388	1368	20	3	1

*Source : Directorate of Income Tax (Systems), CBDT.

The suo-moto rectification in almost all these category of cases has already been carried out by Central Processing Centre (CPC), Bengaluru.

c) CPC Bengaluru is carrying out suo-moto rectification to ensure that taxpayers in Goa are not unfairly burdened under the faceless regime. In addition, following major steps have been taken to fast track the disposal of pending appeals and strengthen guidelines on this issue:

1. Notification of e-Dispute Resolution Scheme, 2022(e-DRS) under section 245 MA of the Income Tax Act, 1961.
2. Notification of the e-Appeals Scheme, through which 100 new posts of Joint Commissioner (Appeals) have been created so that more appeals can be disposed.
3. Introduction of Vivad se Vishwas Scheme, 2024 on 20th September, 2024

4. Increase in the monetary limit for filing appeals in the ITAT, High Court and Supreme Court
5. Enabling Commissioner of Income tax (Appeals) to set aside the ex-parte assessment orders
6. Issuance of guidelines, on 19th March, 2024 for priority and out of turn disposal of appeals by the Commissioners of Income Tax (Appeals) and Addl./Joint Commissioners of Income Tax (Appeals) which *inter alia* include cases where request is made by senior citizen(s) and or super senior citizen(s), or that of any genuine hardship.
7. Increase in the targets for disposal of appeals by Commissioners of Income Tax (Appeals) and Addl./Joint Commissioners of Income Tax (Appeals) in the Central Action Plan 2024-25.
8. Assignment of 44 Commissioner of Income Tax (Appeals) charges to Principal Commissioners of Income Tax.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA UNSTARRED QUESTION NO. 224

ANSWERED ON 04/02/2025

TAX EXEMPTIONS AND BENEFITS

224.Smt. Darshana Singh
Dr. Anil Sukhdeorao Bonde
Shri Brij Lal
Shri Madan Rathore
Shri Mayankbhai Jaydevbhai Nayak
Smt. Sangeeta Yadav
Smt. Kiran Choudhry
Shri Narayana Koragappa
Shri Jaggesh
Shri Neeraj Dangi
Shri Lahar Singh Siroya
Smt. Maya Naroliya

Will the Minister of FINANCE be pleased to state:-

(a) the distribution of tax exemptions and benefits between corporations and individual taxpayers over the past few years;

(b) the details of the specific measures or policies that have been implemented to ensure that the middle-class benefit more from tax exemptions;

(c) whether Government has setup any mechanism to monitor the distribution of tax exemption periodically; and

(d) if so, the details thereof?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a)

(i) The direct tax policy through Income-tax Act,1961 ('the Act'), inter alia, provides for tax incentives to promote exports; balanced regional development; creation of infrastructure facilities; employment; rural development; scientific research and development; cooperative sector, encourage savings by individuals and donations for charity. The revenue impact of major tax incentives due to tax exemptions and benefits under the Act in respect of corporates and Individuals/HUFs from FY 2019-20 to FY 2023-24 are tabulated as under:

Table 1: Revenue impact of major tax incentives

Financial Year	For Corporates (in Rs Crore)	For Individuals/HUFs (in Rs Crore)
2019-20	94,109.83	1,55,429.45
2020-21	75,218.02	1,28,244.23
2021-22	96,892.39	1,68,566.30
2022-23	88,109.27	1,96,678.95
2023-24*	98,999.57	2,20,988.47
Total	**4,53,329.08**	**8,69,907.40**

Source: Receipt Budget of respective years

**Total Revenue Impact for FY 2023-24 is projected revenue impact.*

(ii) The total revenue impact of major tax incentives for Individual/HUF taxpayers for last five years is **Rs 8,69,907.40** Crores. In comparison, the total revenue impact of major tax incentives for corporate taxpayers for last five years is **Rs 4,53,329.08** Crores. Therefore, it can be seen that the government has foregone huge revenue benefiting Individuals/HUFs taxpayers.

(b)

The New tax regime was introduced in the Budget 2020-21 to simplify, reduce and make it easy for complying with income tax provisions and also to provide significant relief to the middle-class taxpayers. About 75% of taxpayers have opted for the New tax regime. It is highlighted that one of the objectives of proposals regarding Direct taxes presented in the Budget 2025 is personal income tax reforms with special focus on middle class taxpayers. Some of the measures that would benefit middle class taxpayers are discussed as under.

- **Increase in basic exemption limit**: Under the New tax regime introduced in the Budget 2020-21, the threshold total income limit exempt from income-tax i.e. 'Nil' income tax slab was upto Rs. 2.5 lakh, which was increased to Rs.3 lakh in the Budget 2023-24 and also now proposed to be increased to Rs.4 lakh in the Budget 2025-26.

- **Rebate u/s 87A:** In the Budget 2023-24, the income tax rebate limit was made applicable in the new tax regime. Accordingly, resident individual with total income up to Rs.7 lakh do not pay any income tax due to rebate under the new tax regime. In the Budget 2025-26 presented on 01st Febrauary,2025, it has been proposed to further increase the rebate for the resident individual under the new tax regime so that they do not pay tax if their total income is up to Rs. 12 lakh (other than the special rate income). By increasing this limit to Rs.12 lakh, around one crore taxpayers who were earlier required to pay tax varying from Rs.20,000 to Rs.80,000 will be now paying 'Nil' tax. This limit will be Rs. 12.75 lakh for salaried tax payers, due to standard deduction of Rs. 75,000. Marginal relief as provided earlier under the new tax regime is also applicable for income marginally higher than Rs. 12 lakh.

- **Reduction in Income tax rates:** There is a continuous decrease in the personal income tax rates in various income slabs since the introduction of new tax regime in the Budget 2020-21. It has been proposed in the current Budget 2025-26 that the higher tax rate @30% will be made applicable to total income above Rs.24 lakh. Details of income tax rates slab-wise announced in the Budget 2020-21, Budget 2023-24, Budget 2024-25 (July,2024) and Budget 2025-26 are provided in the **Annexure A.**

- **Increase in Standard deduction Limit:** In the Budget 2023-24, the standard deduction of Rs 50,000/- was made available to the salaried persons opting for new tax regime. This limit was increased to Rs.75,000/- in the Budget 2024-25 (July,2024). Similarly, deduction on family pension for pensioners was enhanced from Rs.15,000/- to Rs.25,000/-in the Budget 2024-25(July,2024). This has provided relief to about four crore salaried individuals and pensioners.

- **Exemptions under New Tax regime**: Taxpayers opting for New Tax regime can also avail benefit of certain exemptions which inter-alia include leave encashment upto Rs.25 lakh, increased deduction of employers contribution under NPS, some allowances received by salaried persons like daily allowance, conveyance allowance etc. and gratuity amount. (refer **Annexure B**).

- **Rationalisation of TDS/TCS provisions**: In the current Budget 2025-26, it has been proposed to increase the limit for tax deduction at source in respect of certain income such as interest income for senior citizens and rental income etc (refer **Annexure C**). Further, it was also announced in the current Budget 2025-26 to remove tax collected at Source (TCS) on remittances for education purposes where such remittance is out of a loan taken from a specified financial institution.

- **Tax exemption for Income from Long-Term Capital Gains (LTCG)**: For investments in equities and mutual funds, long-term capital gains (gains made on assets held for more than a year) up to Rs 1.25 lakh per financial year are exempted from income tax.

- **Option of tax regimes:** Though the New income tax regime was made the default tax regime in the Budget 2023-24, taxpayers have the option to avail the benefit of the old tax regime. Under the old regime, Individual/ HUF taxpayers are eligible to claim these exemptions/deductions and have a wide range of tax preferences available to them.

  Periodically, the Government has reduced tax burden of middle-class taxpayers through changes in income slab and tax rates. The tax rates under the new tax regime are comparatively lower than the tax rates in old regime for the respective income slabs. The new structure proposed in the current Budget will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment. As a result of proposals introduced in the Budget 2025-26, revenue of about ₹ 1 lakh crore in direct taxes will be forgone.

(c) & (d)

The distribution of tax exemption and their impact including the revenue foregone has been analysed in Annexure-7 of Receipt Budget Statement which is available in the public domain (indiabudget.gov.in)(Copy enclosed).

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Annexure A

(i) A comparison of the tax rates and slabs under the old regime and the new regime introduced in the Budget 2020-21 is as under:-

Taxable Income Slab (Rs)	**Existing Tax Rates under old regime**	**New Tax Rates under new tax regime**
Upto 2,50,000	Nil	Nil
From 2,50,001 to 5,00,000	5%	5%
From 5,00,001 to 7,50,000	20%	10%
From 7,50,001 to 10,00,000	20%	15%
From 10,00,001 to 12,50,000	30%	20%
From 12,50,001 to 15,00,000	30%	25%
Above 15,00,000	30%	30%

(ii) The tax slabs and rates in the new regime were further revised in the Budget 2023-24 for Assessment Year 2024-25 as under:-

Taxable Income (Rs)	**Rates**
Upto Rs. 3,00,000	Nil
From Rs. 3,00,001 to Rs. 6,00,000	5 %
From Rs. 6,00,001 to Rs. 9,00,000	10 %
From Rs. 9,00,001 to Rs. 12,00,000	15 %
From Rs. 12,00,001 to Rs. 15,00,000	20 %
Above Rs. 15,00,000	30 %

(iii) The tax rates under the new tax regime were further revised in the Budget 2024-25 (July,2024) w.e.f. Assessment Year 2025-26 as under:

Taxable Income (Rs.)	**Rates**
Upto Rs. 3,00,000	Nil
From Rs. 3,00,001 to Rs. 7,00,000	5 %
From Rs. 7,00,001 to Rs. 10,00,000	10 %
From Rs. 10,00,001 to Rs. 12,00,000	15%
From Rs. 12,00,001 to Rs. 15,00,000	20 %
Above Rs. 15,00,000	30%

(iv) The tax rates under the new tax regime proposed in the current Budget 2025-26 w.e.f. from Assessment Year 2026-27 is proposed to be as under:

Taxable Income (Rs.)	**Rates**
Upto Rs. 4,00,000	Nil
From Rs. 4,00,001 to Rs. 8,00,000	5 %
From Rs. 8,00,001 to Rs. 12,00,000	10 %
From Rs. 12,00,001 to Rs. 16,00,000	15%
From Rs. 16,00,001 to Rs. 20,00,000	20 %
From Rs. 20,00,001 to Rs. 24,00,000	25%
Above Rs. 24,00,000	30%

- A few examples for calculation of tax benefit to the middle-class tax payers are given in the table below:

Income	**Tax on Slabs and rates**		**Benefit of**	**Rebate benefit**	**Total Benefit**	**Tax after rebate Benefit**
	Present	**Proposed**	**Rate /Slab**	**Full upto Rs 12 lacs**		
8 lac	30,000	20,000	10,000	20,000	30,000	0
9 lac	40,000	30,000	10,000	30,000	40,000	0
10 lac	50,000	40,000	10,000	40,000	50,000	0
11 lac	65,000	50,000	15,000	50,000	65,000	0
12 lac	80,000	60,000	20,000	60,000	80,000	0
16 lac	1,70,000	1,20,000	50,000	0	50,000	1,20,000
20 lac	2,90,000	2,00,000	90,000	0	90,000	2,00,000
24 lac	4,10,000	3,00,000	1,10,000	0	1,10,000	3,00,000
50 lac	11,90,000	10,80,000	1,10,000	0	1,10,000	10,80,000

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<u>Annexure B</u>

<u>Exemptions/tax benefits available under New tax regime:</u>

(i) **Increase in exemption of Leave encashment limit u/s 10(10AA):** In the Budget 2023-24, the limit of encashment of leave up to 10 months of average salary, at the time of retirement in case of an employee (other than an employee of the Central Government or State Government), was enhanced to **Rs.25 lakh** from Rs.3 lakh.

(ii) **Deduction under section 80CCD(2)** for employer's (other than the Central Government and State Government) contribution to employee NPS accounts, has been increased from 10% to 14% in the Budget 2024-25 (July,2024).

(iii) Tax exemptions are available for the following allowances received by the **salaried persons:**

- any travel allowance granted to meet the cost of travel on tour or on transfer;
- any daily allowance to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty, whether granted on tour or for the period of journey in connection with transfer,
- any conveyance allowance granted to meet the expenditure incurred on conveyance in performance of duties of an office or employment;
- any such special allowance or benefit, specifically granted to meet expenses wholly incurred in the performance of the duties of an office or employment
- any such allowance granted to the assessee either to meet his personal expenses at the place where the duties of his office or employment of profit are ordinarily performed by him or at the place where he ordinarily resides, or to compensate him for the increased cost of living, as may be prescribed and to the extent as may be prescribed:

(iv) Tax exemption in respect of the amount received on voluntary retirement u/s 10(10C) and gratuity u/s 10(10) subject to the limit prescribed.

(v) **Reduction in surcharge and maximum tax rate:** Highest surcharge under the new regime has been reduced to 25 percent from 37 percent in the Budget 2023-24. This has reduced the maximum rate from 42.74 per cent to 39 per cent.

(vi) **Annual value of the self-occupied property simplified u/s 23:** Presently tax-payers can claim the annual value of self-occupied properties as ‘Nil’ only on the fulfillment of certain conditions. Considering the difficulties faced by taxpayers, in the Budget 2025, it has been proposed to allow the benefit of two such self-occupied properties, if the owner occupies it for his own residence or cannot actually occupy it due to any reason.

(vii) **Increase in limits of certain perquisites:** In the Budget 2025, it has been proposed to increase the limits on the income of the employees for the purpose of calculating perquisites u/s 17 of the Act which will benefit salaried class taxpayers.

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Annexure C

Rationalisation of TDS/TCS provision: The increased threshold for TDS rates under various provisions which will have a positive impact are enumerated as follows:-

S. No.	Section of the Act	Present TDS/TCS threshold (in Rs.)	Proposed TDS/TCS threshold (in Rs.)
1	194A – Interest other than Interest on securities	(i) 50,000/- for senior citizen; (ii) 40,000/- in case of others when payer is bank, cooperative society and post office (iii) 5,000/- in other cases	(i) 1,00,000/- for senior citizen; (ii) 50,000/- in case of others when payer is bank, co-operative society and post office (iii) 10,000/- in other cases
2	194-I Rent	2,40,000/- during the financial year	50,000/- per month or part of a month
3	193 – Interest on securities	Nil	10,000/-
4	194- Dividend, for an individual shareholder	5,000/-	10,000/-
5	194K- Income in respect of units of a mutual fund or specified company or undertaking	5,000/-	10,000/-
6	194D – Insurance commission	15,000/-	20,000/-
7	194G – Income by way of commission, prize etc. on lottery tickets	15,000/-	20,000/-
8	194H – Commission or brokerage	15,000/-	20,000/-
9	194J – Fee for professional or technical services	30,000/-	50,000/-
10	194LA – Income by way of enhanced compensation	2,50,000/-	5,00,000/-
11	206C(1G)- Remittance under LRS and overseas tour program package	7,00,000/-	10,00,000/-
(c) No TCS on remittances for education purposes It has been proposed to remove TCS on remittances for education purposes, where such remittance is out of a loan taken from a specified financial institution.			

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ANNEX-7

Statement of Revenue Impact of Tax Incentives under the Central Tax System: Financial Years 2022-23 and 2023-24

Tax law and its administration are primarily aimed at generating revenue to fund the various Government expenditures. The main variables that determine the amount of revenue generated are the collective tax base and the effective tax rates. An elaborate set of measures including special tax rates, exemptions, deductions, rebates, deferrals and credits determine these two variables. These measures are collectively called as 'tax incentives' or 'tax preferences'. They create an impact on Government earnings and also reflect the significant policy measures of the Government.

The tax incentives provided by the Government have a significant impact on its revenue. It may also be perceived as an indirect subsidy to the preferred taxpayers and is therefore referred to as 'tax expenditures'. In a democratic setup, tax policy is ought to be not only efficient but also sufficiently transparent. It requires an elaborate analysis and explicit presentation of tax incentives and the entailed program planning intended to address the specific policy goals of the Government. Further, transparent budgeting requires an analysis of revenue impact being created under the respective programme heads. These tax incentives having impact on the Government earnings are inherent part of the spending plans stated in the tax policy.

The present statement is a detailed analysis of the revenue implications of the various tax incentives provided by the Government through the taxation system. Such revenue implications of tax incentives were laid before the Parliament for the first time during Budget 2006-07 as Annex-12 of the Receipts Budget in the form of statement of Revenue Forgone. It was welcomed across all quarters and started the process of a constructive debate on whole range of issues concerning fiscal policy. It also lent credence to the Government's intention of bringing about transparency in the matter of tax policy and tax expenditures. The second edition of this statement was placed before Parliament during Budget 2007-08 by way of Annexure-12 of the Receipts Budget and also by way of a separate budget document titled "Statement of Revenue Forgone". Thereafter, it was placed every year before Parliament during Budget from 2008-09 to 2014-15. In the Budget 2015-16, it has been termed more appropriately as the "Statement of Revenue Impact of Tax Incentives under the Central Tax System", as it actually involves an analysis of the revenue impact. In Budget 2015-16 and 2016-17, it was made part of Receipt Budget as Annexure-15, while in Budget 2017-18, it was Annexure-13. In the Budgets 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25, it was part of Receipt Budget as Annexure-7.

As stated earlier, this Statement seeks to list the revenue impact of tax incentives or tax subsidies that are a part of the tax system of the Central Government. The revenue impact of such tax incentives has been estimated in respect of most of the "tax preferences". The estimates are for financial year 2022-23, the most recent year for which data is available. It is based on the returns filed for the Assessment year 2023-24. An attempt has also been made to project the revenue impact for the financial year 2023-24 on the basis of the tax expenditure figures of the financial year 2022-23.

The estimates of the tax expenditures have been made on the basis of the following assumptions: -

(a) The estimates and projections are intended to indicate the potential revenue gain in case of removal of exemptions, deductions, weighted deductions and similar measures. The estimates are based on a short-term impact analysis. They are developed assuming that the underlying tax base would not be affected by removal of such measures. As the behavior of economic agents, overall economic activity or other Government policies could change along with the elimination of the specific tax preference, the revenue implications could be different to that extent.

(b) The impact of each tax incentive is determined separately, assuming that all other tax provisions remain unchanged. Many of the tax concessions do, however, interact with each other. Therefore, the interactive impact of tax incentives could turn out to be different from the tax expenditure calculated by adding up the estimates and projections for each provision.

Though the revenue impact has been quantified in terms of tax expenditure, it does not imply that this quantum of revenue has been waived by the Government. Rather, these could be seen as expenditure for the development of certain target sectors. In some cases, the socio-economic activities meant to be incentivized by such indirect subsidy may have either not been undertaken at all or have been undergoing at much lower scale in the absence of these incentives. The assumptions and methodology adopted to estimate the tax expenditure on account of different tax incentives are indicated at the relevant places in this Statement.

Direct Taxes

The direct tax policy through Income-tax Act, inter alia, provides for tax incentives to promote exports; balanced regional development; creation of infrastructure facilities; employment; rural development; scientific research and development; cooperative sector, encourage savings by individuals and donations for charity. Accelerated depreciation is also provided as an incentive for capital investment. Most of these tax benefits can be availed of by both corporate and non-corporate taxpayers. This statement attempts to estimate the revenue impact of the tax incentives separately in respect of all the categories of taxpayers viz., Corporate Sector; Non-Corporate Sector (Firms, Association of Persons, Body of Individuals etc.); and Individuals/ HUF. The heads under which the revenue impact has been estimated are broadly similar for the corporates and non-corporates. However, in the case of individuals, certain other heads have also been included as these are specific only to them. The statement for the corporate sector also analyses the spread of effective tax rates for companies in different profit slabs. A sectoral analysis of effective tax rates for different industries has also been attempted. Besides, details of entities engaged in charitable activities have also been provided separately under the head “Charitable Entities”.

Revenue impact of various tax incentives for FY 2023-24 is projected by taking the average GDP growth for four years [FYs 2019-20, 2021-22, 2022-23 and 2023-24].[1]

A. Corporate Sector

Large businesses are mainly organized as companies. The Income-tax Department has received 10,75,866 corporate returns electronically up to 30th November 2024 for the financial year 2022-23 [i.e. assessment year 2023-24]. Every company is required to file its return of income electronically. These companies reported corporate tax liability of Rs. 7,27,415.89 crore [inclusive of surcharge and education cess] for their income of financial year 2022-23. The companies have paid additional tax of Rs. 6,440.99 crore [inclusive of surcharge and education cess] on their ‘distributed income’ on buy-back of shares under section 115QA of the Act.

For the purposes of estimating the tax expenditure, data pertaining to these companies were culled from the database for analysis and is detailed in Tables 1 to 5 and Appendix to this statement. **Table 1** profiles these companies across different profit ranges. The following facts emerge from an analysis of the data:-

- 5,34,092 companies (49.64 per cent) reported Rs. 32,10,198.19 crore as profits before taxes and a total income (taxable income) of Rs. 31,66,634.86 crore.
- 4,93,714 companies (45.89 per cent) reported Rs. 8,73,307.67 crore as losses.
- 48,060 companies (4.47 per cent) reported Nil profit.

The **effective tax rate[2] of the entire base of companies was 23.24 per cent** for financial year 2022-23 [as against

[1] *FY 2020-21 has not been taken for calculating the average GDP growth for it being an extraordinary year due to COVID-19 pandemic.*

[2] *Effective tax rate in case of companies is the ratio of total taxes [including surcharge and education cess to the total profits before taxes [PBT] and expressed as a percentage.*

the rate of **23.26** per cent reported in the financial year 2021-22] while the statutory tax rate was 31.20 per cent (inclusive of cess) in case of companies having income up to Rs. one crore, 33.38 per cent (inclusive of cess and surcharge) in the case of companies having income up to Rs. 10 crore and 34.94 per cent (inclusive of cess and surcharge) in the case of companies having income exceeding Rs.10 crore. Further, for existing companies which opted for the new concessional tax regime (lower tax rate without deductions and exemptions) under section 115BAA of the Income-tax Act, the statutory tax rate was 25.17 per cent. Companies with profits before taxes (PBT hereafter) of Rs. 500 crore and above, accounted for a total of 62.59 per cent of the total PBT and a total of 53.24 per cent of the total corporate income-tax liability.

The effective tax rate of companies with PBT greater than Rs. 500 crore is 19.77 per cent, which is lower than all the companies having profit before taxes below Rs. 500 crores. This highlights that the larger companies are availing the higher deductions and incentives or have shifted to the new regime of lower tax rate of 22 per cent plus cess and surcharge. This is further corroborated by the higher ratio of total income to PBT in smaller companies. In case of companies having PBT in range of rupees 0-1 crore, the ratio is 96.66per cent while in case of companies having PBT greater than rupees 500 crore, it is 72.45 per cent. A lower ratio indicates that the larger companies are availing higher deduction and incentives as compared to smaller companies.

Table 1: Profile of companies across range of profits before taxes

(Financial Year 2022-23) (No. of companies –10,75,866)

S.No	Profit Before Taxes	Companies	Share in Profit Before Taxes	Share in total income	Share in Total Corporate Income Tax Liability	Ratio of total income to Profits before taxes	Ratio of tax to total income	Effective tax rate (tax to profit ratio)
1	**Less than Zero**	4,93,714	-	0.69%*	0.67%*	-	-	-
2	**Zero**	48,060	-	20.89%*	9.69%*	-	-	-
3	**Rs.0-1 Crore**	4,52,076	1.87%	1.82%	1.98%	96.66%	25.36%	24.52%
4	**Rs. 1 -10 Crore**	63,113	6.15%	5.91%	6.35%	95.38%	25.13%	23.97%
5	**Rs. 10-50 Crore**	13,405	8.99%	7.90%	8.82%	87.33%	26.10%	22.79%
6	**Rs.50-100 Crore**	2418	5.22%	4.49%	5.04%	85.43%	26.30%	22.47%
7	**Rs. 100-500 Crore**	2337	15.18%	12.65%	14.21%	82.75%	26.29%	21.75%
8	**Greater than Rs. 500 Crore**	743	62.59%	45.65%	53.24%	72.45%	27.29%	19.77%
	All Companies	**10,75,866**	**100.00%**	**100.00%**	**100.00%**	**99.33%**	**23.40%**	**23.24%**

*The companies having PBT less than or equal to zero may report income under heads other than business on which some taxes may be payable.

Table 2 profiles the sample companies across effective tax rates. It is noted that 6,62,877 companies with average effective tax rates up to 20 per cent accounted for 39.68 per cent of total profits before taxes, 11.94 per cent of total taxable income and 13.52 per cent of total taxes. In other words, a large number of companies (6,62,877 i.e. 61.61 per cent) contributed a disproportionately lower amount of taxes in relation to their profits. Interestingly, 52,356 companies accounting for 6.58 per cent of the total profits and 10.40 per cent of the total taxes had an effective tax rate closer to the average statutory rate of 34.69 per cent. This shows that the tax liability across companies is unevenly distributed. This is primarily due to the various tax preferences provided in the statute that these companies avail.

It is further noteworthy that the 2,89,076 companies falling in bracket of effective tax rate of 20-30 per cent constitute more than 50 per cent (60.48 per cent) share in profit before taxes and contribute a significant portion of 71.71 per cent towards tax liabilities. The companies in this ETR bracket represent 26.87 per cent of total companies. This marks an increase of 4.5 per cent in the total tax share by these companies over that of 2021-22. The outcome is a significant indicator of the positive results of rationalization of corporate tax rates as introduced through the regimes contained in section 115BAA & 115BAB of the Income-tax Act, 1961.

Table 2: Profile of companies across range of Effective tax rates*

S.No	Effective tax rate (ETR)	Number of companies	Share in profit before taxes (%)	Share in total income (%)	Share in total tax liability (in %)
1	Less than Zero and Zero	5,44,777.00	10.70%	0.88%**	0.75%**
2	0-20	1,18,100.00	21.09%	11.06%	12.77%
3	20-25	61,751.00	31.42%	35.11%	34.78%
4	25-30	2,27,325.00	29.06%	38.19%	36.93%
5	30-33	23,497.00	2.94%	4.24%	4.37%
6	>33	52,356.00	4.79%	10.51%	10.40%
7	Indeterminate (PBT = 0)	48,060.00			
	TOTAL	**10,75,866.00**	**100.00%**	**100.00%**	**100.00%**

*Effective tax rate (ETR) is inclusive of surcharge and education cess.

**The companies having ETR less than or equal to zero may report income under heads other than business, hence they have a small share of the total income and tax liability for corporates but may report ETR les than or equal to zero on account of brought forward losses.

Table 3 compares the effective tax rate of public companies (Public Sector Units only) with that of private companies. While the effective rate is lower than the statutory rate for both categories, the private sector companies pay a larger proportion of their profits as tax than the public sector companies.

Table 3: Effective tax rate* of companies in the public and private sectors

(Financial Year 2022-23) (Number of Companies – 10,75,866)

AY	Sector	Number of Companies	Share in total Profits (in %)	Share in total tax liability (in %)	Effective tax rate (in %) [Tax to Profit ratio]
2023-24	Public#	199	16.31	11.63	17.56
	Private	10,75,667	83.69	88.37	24.34
TOTAL		**10,75,866**	**100.00**	**100.00**	**23.24**

* Effective tax rate is inclusive of surcharge and education cess.

Based on the information given by the assessee companies (as Public Sector Units) in their respective returns.

Table 4 shows a comparison between the effective tax rate of the manufacturing sector and the other sectors in respect of the companies. The non-manufacturing sectors have a higher effective tax rate of 23.51 per cent as compared to manufacturing sector at 22.64 per cent. Both the sectors have an effective tax rate that is well below the average statutory rate of 34.69 per cent.

Table 4: Effective tax rate* of companies in the manufacturing and non-manufacturing sectors (Financial year 2022-23) [Number of companies– 10,75,866]

S.No	Sector	Number of companies	Share in total profits	Share in total tax liability	effective tax rate (tax to profit ratio)
1	**Manufacturing**	**1,56,460**	**31.11**	**30.30**	**22.64**
2	**Non-manufacturing**	**9,19,406**	**68.89**	**69.70**	**23.51**
	All Companies	**10,75,866**	**100.00**	**100.00**	**23.24**

*Effective tax rate is inclusive of surcharge and education cess

Table 5 gives details of the major tax expenditures on corporate taxpayers during the financial year 2022-23 and projection for the financial year 2023-24 The analysis is based on the corporate returns received up to 30th November, 2024, which includes all the returns filed for AY 2023-24. The revenue impact of each tax concession availed by these companies has been calculated by applying the weighted average statutory corporate tax rate of 34.69 per cent [3]on the amount of each deduction. The revenue impact of accelerated depreciation, deduction/ weighted deduction for expenditure on scientific research has been calculated by first determining the difference between the depreciation/ deduction debited to the profit and loss account by companies and the depreciation/ deduction allowable under the Income-tax Act. Thereafter the weighted average corporate tax rate of 34.69 per cent has been applied to this difference to arrive at the tax expenditure figure.

3 Average statutory tax rate has been worked out after taking a weighted average of the tax rate of 31.20 per cent in the case of companies having total income upto Rs. 1 crore, of 33.38 per cent in the case of companies having total income upto Rs. 10 crore and 34.94 per cent in the case of companies having total income exceeding Rs.10 crore.

Another aspect of tax expenditure is tax deferral. Tax deferral occurs when the taxpayer, on account of being allowed higher deductions under the tax statute is able to defer his tax liability by claiming an allowance (e.g. depreciation allowance) as a deduction over shorter time period whereas he may be spreading the same depreciation claim over a number of years in his own accounts. As depreciation does not entail cash outgo, this is a tax deferral. On the other hand, the MAT on companies under the tax statute fastens a liability (for the assessment year 2023-24, at the rate of 15 per cent on book profits), on the profit reported by the company to its shareholders (subject to some adjustments), if this liability is in excess of the tax liability computed at normal rates. The excess liability on account of MAT is allowed as a credit (up to 15 years) in a subsequent year in which the normal tax liability is in excess of MAT liability. The additional tax paid on account of MAT is, therefore, an advance payment of future tax liability. It restricts the period of deferral of taxes on account of claims of depreciation and moderates the revenue impact of other deductions such as profit-linked deductions by spreading the same claim over a longer period of time.

Based on the tax expenditure figures for the financial year 2022-23, the tax expenditure for the financial year 2023-24 has been projected by multiplying the tax expenditure on each tax incentive in the financial year 2022-23 by the average GDP growth for four years [FYs 2019-20, 2021-22, 2022-23 and 2023-24]. 2020-21 being Covid impacted year has not been considered. The average GDP growth rate was calculated to be 12.36 per cent.

Table 5 depicts major tax expenditures on corporate taxpayers in terms of tax expenditure during the financial year 2022-23 and projection for the financial year 2023-24.

Table 5: Revenue Impact of Major Tax Incentives for corporate taxpayers
(Financial years 2022-23 and 2023-24) [Number of companies – 10,75,866] (In Rs. Crores)

S.No	Nature of Incentive	Revenue Impact (2022-23)	Projected Revenue Impact (2023-24) (@12.36%
1	Deduction of export profits of units located in SEZs (section 10AA)	23,736.27	26,670.08
2	Accelerated Depreciation (section 32)	18,742.69	21,059.29
3	Deduction/weighted deduction for expenditure on scientific research (Section 35(1), (2AA) & (2AB))	3,229.36	3,628.51
4	Deduction in respect of specified business (section 35AD)	596.18	669.87
5	Deduction on account of donations to charitable trusts and institutions (section 80G)	1,172.93	1,317.90
6	Deduction on account of contributions to political parties (section 80GGB)	514.40	577.98
7	Deduction of profits of undertakings engaged in development of infrastructure facilities (section 80-IA)	4,896.46	5,501.66
8	Deduction of profits of undertakings engaged in generation, transmission and distribution of power (section 80-IA)	15,968.93	17,942.69

S.No	Nature of Incentive	Revenue Impact (2022-23)	Projected Revenue Impact (2023-24) (@12.36%
9	Deduction of profits of undertaking engaged in revival of power plant (section 80-IA)	37.68	42.33
10	Deduction of profits of undertakings engaged in development of SEZs in pursuance to SEZ Act, 2005 (section 80-IAB)	422.65	474.89
11	Special provision in respect of specified business (section 80-IAC)	276.26	310.41
12	Deduction of profits of industrial undertakings derived from production of mineral oil and natural gas (section 80-IB)	252.40	283.60
13	Deduction of profits of industrial undertakings derived from housing projects (section 80-IB)	10.90	12.25
14	Deduction of profits of industrial undertakings derived from integrated business of handling, storage and transportation of food grains (section 80-IB)	10.31	11.59
15	Deduction of profits of industrial undertakings derived from processing, preservation and packaging of fruits and vegetables (section 80-IB)	91.62	102.94
16	Deduction of profits and gains from housing projects (section 80-IBA)	786.11	883.27
17	Deduction of profits of undertakings set-up in North Eastern States (section 80-IE)	1,944.11	2,184.40
18	Deduction of profits of undertakings set-up in Sikkim (section 80-IE)	3,942.48	4,429.77
19	Deduction of profits from business of collecting and processing of bio-degradable waste (section 80JJA)	13.19	14.82
20	Deduction in respect of employment of new workmen (section 80JJAA)	3,448.27	3,874.48
21	Deduction in respect of certain incomes of Offshore Banking Units [OBUs] and International Financial Services Center (section 80-LA)	0.01	0.01

S.No	Nature of Incentive	Revenue Impact (2022-23)	Projected Revenue Impact (2023-24) (@12.36%
22	Deductions in respect of certain incomes of International Financial Services Centre 80LA(1A)	527.45	592.64
23	Deduction in respect of contributions given by companies to political parties(80GGC)	21.07	23.67
24	Deduction in respect of certain income of Producer Companies(80PA)	33.51	37.65
	TOTAL	**80,675.25**	**90,646.71**
	Net Additional Tax due to MAT	-7,434.02	-8,352.86
	Calculated as: Additional Tax Liability on account of MAT: Rs. 18,594.55 crore		
	(-) Reduced by MAT Credit claimed: Rs. 26028.56 crore		
	TOTAL REVENUE FORGONE	**88,109.27**	**98,999.57**

*2020-21 being covid impacted year is not considered.

Across various sectors, deductions availed by units located in SEZ (S. No. 1), accelerated depreciation (S. no. 2), Deduction of profits of undertakings engaged in generation, transmission and distribution of power (No.8), undertakings engaged in development of infrastructure facilities (S. No. 7), Deduction of profits of undertakings set-up in Sikkim (No. 18), Deduction in respect of employment of new workmen (No. 20), deductions on scientific research (S. No. 3), Deduction of profits of undertakings set-up in North Eastern State (No. 17), accounted for a significant portion of the total tax incentive. The deduction on account of donations to charitable trusts and institutions have marginally increased in F.Y. 2022-23 (Rs. 1172.93 crore) as compared to such donation in F.Y. 2021-22 (1132.90 crore).

The industry-wise distribution of effective tax rate of companies is given in the table in the Appendix to this statement. The effective tax rates for growing and manufacturing of tea (16.80), manufacturing of steel products (16.59), and manufacturing of refined petroleum products (18.30) are at the lower range. Some of the other sectors which are also having lower tax rates as compared to the effective tax rates are animal husbandry (15.61) and real estate (approx.18) The effective tax rate is the ratio of aggregate of gross tax payable to profit before tax.

Further in a effort to establish a globally competitive business environment for certain domestic companies, attract fresh investment, create employment opportunities and give an impetus to the overall economy, Section 115BAA and 115BAB had been inserted to the Act through Taxation Laws (Amendment) Act, 2019 (TLAA).It provides for a concessional tax rate of 22 per cent for existing domestic companies, and of 15 per cent for newly incorporated domestic companies which commence manufacturing or production on or before 31.03.2024 for manufacturing, production, research or distribution of such manufactured article or thing. This concession is subject to certain conditions including that they do not avail of any specified incentive or deductions. It has also been provided that the domestic companies opting for the concessional taxation regime shall not be required to pay any Minimum Alternate Tax (MAT).

An analysis of the impact of this concessional tax incentive (made in Table 5.1) shows that out of the corporate returns in the financial year 2022-23, the total income being taxed under section 115BAA of the Act is Rs. 18,35,988.38 Crore, which is an increase of 18.60 per cent over the income being taxed under the same section in the previous Financial Year 2021-22 (Rs. 15,48,040.43 Crore). Further, the total income taxed under section 115BAB of the Act is Rs. 6,256.74 Crore which is an increase of 165 per cent over the income being taxed under section 115BAB in Financial Year 2021-22 (Rs. 2,360.40 Crore). The number of companies adopting the new tax regime has also seen an increase Thus, the trend of adoption of the new concessional tax regime by companies has continued which is an encouraging sign.

Table 5.1: Comparison of income under concessional tax regime and those under earlier tax regime (Financial Year 2022-23)

S.No	Slabs of Total Income (in Rs. Crore)	Total Income in Crores (under 115BAA)		Total Income in Crores (under 115BAB)		Total Income in Crores (under earlier tax rate of 30% plus surcharge and cess)	
		2022-23	**2021-22**	**2022-23**	**2021-22**	**2022-23**	**2021-22**
1	0-1	19,037.51	15,227.55	435.77	235.08	34,338.99	33,123.58
2	1 to 10	1,00,017.70	81,588.75	1,880.23	843.57	83,467.35	82,328.45
3	10 to 50	1,82,096.08	1,45,239.29	1,834.07	1,066.09	1,11,789.17	1,13,796.76
4	50 to 100	1,10,879.35	94,167.00	614.57	215.91	69,653.86	65,764.04
5	100 to 500	3,31,780.69	2,95,164.99	991.93	0.00	2,17,635.20	2,15,906.21
6	>500	10,92,177.05	9,16,652.84	500.18	0.00	7,96,544.26	6,90,333.22
	Total	**18,35,988.38**	**15,48,040.43**	**6,256.74**	**2,360.64**	**13,13,428.82**	**12,01,252.25**

B. Non-Corporate Sector [Firms/ AOPs/ BOIs etc.]

Apart from the corporate sector, large businesses are also organized as partnership firms and Association of Persons [AOPs] or Body of Individuals [BOIs]. The tax expenditure on these is not as large as that of companies. The Income-tax Department has received 18,21,249 returns filed electronically up to 30th November, 2024 for income of the financial year 2022-23. For the purposes of calculating the tax expenditure, data pertaining to these 18,21,249 Firms/ AOPs/ BOIs was culled out from the database.

The data was analyzed and the following facts emerged: -

- The entire firms/ AOPs/ BOIs declared a total income (taxable income) of Rs. 5,18,972.72 Crore and reported Rs. 3,92,120.64 Crore as profits before taxes and. Losses were reported in about 3,60,745 returns which is 19.81 per cent of the total.
- These firms/ AOPs/ BOIs reported Rs 1,30,916.68 Crore as income-tax payable [inclusive of surcharge and cess] for the Financial Year 2022-23.

The revenue impact of each tax concession claimed by the firms/ AOPs/ BOIs has been calculated by applying the income tax rate of 34.09 per cent (weighted average rate calculated taking rate of 31.20 per cent for firms having income less than one crore and 34.94 per cent for firms having income more than one crore with the gross tax payable falling in each tax rate slab) on the amount of each deduction. The tax expenditure on account of accelerated depreciation; deduction/ weighted deduction for expenditure on scientific research has been calculated by first determining the difference between the depreciation/ deduction debited to the profit and loss accounts by firms/ AOPs/ BOIs and the depreciation/ deduction allowable under the Income-tax Act. Thereafter, the income tax rate of 34.09 per cent has been applied to this difference to arrive at the revenue impact of each tax incentive. Based on the revenue impact for each tax incentive for the financial year 2022-23, the revenue impact for the financial year 2023-24 has been projected. The estimation for 2023-24 has been made by multiplying the tax expenditure on each tax incentive in the financial year 2022-23 by the average GDP growth for four years [FYs 2019-20, 2021-22, 2022-23 and 2023-24]. The average GDP growth rate was calculated to be 12.36 per cent. *

Table 6 depicts the major tax expenditures on non-corporate taxpayers in terms of tax expenditure during the financial year 2022-23 and projection for the financial year 2023-24. Like Financial Year 2021-22, the highest tax expenditure continues to be on account of deduction of profits of cooperative societies which accounts for 53.25 per cent of the total revenue impact as compared to 53.89 per cent in last financial year. The tax expenditure on account of units setup in SEZs (under section 10AA), housing projects (under section 80-IBA) and accelerated depreciation (under section 32) were 17.48 per cent, 11.46 per cent and 5.71 per cent of the total revenue forgone, respectively.

The total tax expenditure for non-corporate sector, i.e., Firms/ AOPs/ BOIs for the financial year 2022-23 is worked out to be **Rs. 10,920.83 Crore.**

Table 6: Revenue Impact of Major Tax Incentive for non-corporate taxpayers [Firms/ AOPs/ BOIs] Financial years 2022-23 and 2023-24 (In Rs. Crores)

S.No	Nature of Incentive	Revenue Impact (2022-23)	Projected Revenue Impact (2023-24) (@12.36%)
1	Deduction of export profits of units located in SEZs (section 10AA)	1909.51	2145.52
2	Accelerated Depreciation (section 32)	623.51	700.58
3	Deduction/weighted deduction for expenditure on scientific research (Section 35(1), (2AA) & (2AB))	4.87	5.47
4	Deduction in respect of specified business (section 35AD)	45.53	51.16
5	Deduction on account of donations to charitable trusts and institutions (section 80G)	170.19	191.22
6	Deduction on account of contributions to political parties (section 80GGC)	115.71	130.01
7	Deduction of profits of undertakings engaged in development of infrastructure facilities (section 80-IA)	141.00	158.43
8	Deduction of profits of undertakings engaged in generation, transmission and distribution of power (section 80-IA)	298.59	335.50

S.No	Nature of Incentive	Revenue Impact (2022-23)	Projected Revenue Impact (2023-24) (@12.36%)
9	Deduction of profits of undertakings engaged in development of SEZs in pursuance to SEZ Act, 2005 (section 80-IAB)	99.33	111.61
10	Special provision in respect of specified business (section 80-IAC)	50.21	56.42
11	Deduction of profits of industrial undertakings derived from housing projects (section 80-IB)	59.80	67.19
12	Deduction of profits of industrial undertakings derived from integrated business of handling, storage and transportation of food grains (section 80-IB)	4.69	5.27
13	Deduction of profits of industrial undertakings derived from processing, preservation and packaging of fruits and vegetables (section 80-IB)	58.25	65.45
14	Deduction of profits and gains from housing projects (section 80-IBA)	1251.98	1406.72
15	Deduction of profits of undertakings set-up in North Eastern States (section 80-IE)	165.16	185.57
16	Deduction of profits of undertakings set-up in Sikkim (section 80-IE)	31.06	34.90
17	Deduction of profits of undertakings set-up in Uttarakhand (section 80-IC)	0.44	0.49
18	Deduction of profits of undertakings set-up in Himachal Pradesh (section 80-IC)	0.001	0.00
19	Deduction of profits from business of collecting and processing of bio-degradable waste (section 80JJA)	12.42	13.96
20	Deduction in respect of employment of new workmen (section 80JJAA)	48.61	54.62
21	Deduction in respect of certain incomes of Offshore Banking Units [OBUs] and International Financial Services Center (section 80-LA)	0.27	0.30
22	Deduction in respect of profits of cooperative societies (section 80P)	5815.00	6533.74
23	Deduction in respect of certain donations for scientific research or rural development (80GGA)	4.78	5.37
24	Deduction in respect of certain incomes of International Financial Services Center 80LA(1A)	9.93	11.15
	TOTAL REVENUE FOREGONE (in Rs. Crores)	**10,920.83**	**12,270.64**

*2020-21 being covid impacted year is not considered.

C. Individual/ HUF Taxpayers

Chapter VI-A of the Income-tax Act primarily provides for deduction on certain payments and deduction on certain incomes. Individual/ HUF taxpayers are eligible to claim these deductions and have a wide range of tax preferences available to them. However, since more than 50 per cent of the individual taxpayers derive their income primarily from salaries, the profit-linked deductions [i.e. deduction on certain business incomes] are not claimed by them. On the other hand, the group of non-salaried individuals claims both type of deductions. The tax incentives granted to individual taxpayers is presented in Table 7. The tax impact under various sections of Chapter VI-A of the Income-tax Act has been calculated on the basis of various claims for tax preferences in the 7,74,07,645 returns filed electronically by individuals with the Income-tax Department till 30th November, 2024.

Based on the tax expenditure figures for financial year 2022-23, the tax expenditure for the financial year 2023-24 has been projected by multiplying the tax expenditure on each tax incentive in the financial year 2022-23 by the average GDP growth for four years [FYs 2019-20, 2021-22, 2022-23 and 2023-24]. The average GDP growth rate was calculated to be 12.36 per cent.

Based on the figures of total **7,74,07,645** returns of income filed for F.Y. 2022-23 (AY 2023-24), the tax expenditure for the entire population of taxpayers has been prepared. Some of the significant findings are as under: -

(i) Impact of higher basic exemption limits, (Sl. No. 27 and 28 of Table 7), has been calculated by multiplying the tax expenditure per senior citizen and very senior citizen with their respective numbers. According to the data of these returns, 12.05 per cent of the returns were filed by senior citizens and 0.79 per cent of the returns were filed by very senior citizens. Further, the revenue impact of higher exemption limit available to senior citizens has been calculated by taking into account the difference between the higher basic exemption limit (i.e. Rs. 3,00,000) as compared to the general exemption limit of Rs. 2,50,000 and applying the lowest tax rate of 5 per cent (plus cess) on the difference.

(ii) In case of individuals, the maximum tax expenditure of an amount of Rs. 1,02,557.01 Crore is on account of claim of deduction for investments in certain instruments as per section 80C of the Act.

(iii) The other major tax expenditure on individual taxpayers in the Financial Year 2021-22 is on account of rebate under section 87A amounting to Rs. 41,237.43 Crore.

(iv) Deduction on account of contribution to the New Pension Scheme under section 80CCD, and deduction on account of health insurance premium under section 80D also had a contribution of Rs. 14,999.41 Crore and Rs. 12,719.50 Crore respectively to the overall figure.

As detailed above, Table **7** depicts the revenue impact of major tax incentives for individual/ HUF taxpayers, in terms of tax expenditure, during the financial year 2022-23 and projection for financial year 2023-24.

Table 7: Revenue Impact of major tax Incentives for individual HUF taxpayers

(Financial years 2022-23 and 2023-24)

S. No.	Nature of Incentive	Revenue Impact (In Rs. Crore) [2022-23]	Projected Revenue Impact (in Rs. Crore) @12.36% [2023-24]
1	Deduction on account of certain investments and payments (section 80C)	1,02,557.01	1,15,233.06
2	Deduction on account of contribution to certain pension funds (section 80CCC)	445.64	500.73
3	Deduction on account of contribution to the New Pension Scheme (section 80CCD)	14,999.41	16,853.33
4	Deduction on account of health insurance premium (section 80D)	12,719.50	14,291.63
5	Deduction on account of expenditure for medical treatment of a dependent who is disabled (section 80DD)	1,517.93	1,705.54
6	Deduction on account of expenditure for medical treatment of specified diseases (section 80DDB)	2,300.76	2,585.13
7	Deduction on account of interest on loan taken for higher education (section 80E)	1,831.47	2,057.84
8	Deduction on account of interest on loan for residential house property (section 80EE)	466.91	524.62
9	Deduction in respect of interest on loan taken for certain house property (section 80EEA)	1,202.78	1,351.44
10	Deduction in respect of purchase of electric vehicle (section 80EEB)	417.45	469.05
11	Deduction on account of donations to charitable trusts and institutions (section 80G)	1,819.67	2,044.58
12	Deduction on account of rent paid for housing accommodation (section 80GG)	1,766.74	1,985.11
13	Deduction on account of donations for scientific research or rural development(section 80GGA)	19.85	22.30
14	Deduction on account of contributions given to political parties (section 80GGC)	2,275.85	2,557.15
15	Deduction of profits of undertakings engaged in development of SEZs and Industrial Parks, generation of power, and providing telecommunication services (section 80-IA)	69.98	78.62
16	Deduction of profits of undertakings engaged in development of SEZs pursuant to SEZ Act, 2005 (section 80-IAB)	0.55	0.61
17	Deduction of profits and gains from housing projects (section 80-IBA)	177.30	199.21
18	Deduction of profits of industrial undertakings derived from housing projects, production of mineral oil, development of scientific research, integrated business of handling, storage and transportation of food grains and of industrial undertakings located in Jammu & Kashmir and in other backward area (80-IB)	16.30	18.32

S. No.	Nature of Incentive	Revenue Impact (In Rs. Crore) [2022-23]	Projected Revenue Impact (in Rs. Crore) @12.36% [2023-24]
19	Deduction of profits of undertakings set-up in North Eastern States, Sikkim, Uttaranchal and Himachal Pradesh (section 80-IC)	20.25	22.75
20	Deduction of profits from business of collecting and processing of bio-degradable waste (section 80JJA)	9.16	10.29
21	Deduction in respect of employment of new workmen (section 80JJAA)	14.82	16.65
22	Deduction of royalty income of authors of certain books other than text books (section 80QQB)	9.43	10.60
22	Deduction of royalty income on patents (section 80RRB)	0.35	0.40
23	Deduction on account of interest in savings account (section 80TTA)	2,705.02	3,039.36
24	Deduction on account of Interest on deposits in case of Resident senior citizens (section 80TTB)	4,148.86	4,661.66
25	Deduction in case of a person with disability (section 80U)	710.01	797.77
26	Rebate u/s 87A	41,237.43	46,334.38
27	Higher exemption limit for senior citizens	2,424.57	2,724.24
28	Higher exemption limit for super senior citizens	793.95	892.08
	TOTAL	**1,96,678.95**	**2,20,988.47**

The revenue impact of providing a tax incentive for investments in various savings instruments, repayment of housing loan and payment of tuition fees for children [all these come under section 80C of the Income-tax Act] is the single largest tax expenditure in case of individual taxpayers followed by rebate on tax in case of resident individuals having income up to five lakh rupees, contribution to New Pension Scheme (Section 80CCD) and deduction on account of health insurance premium (section 80D). The tax expenditure on account of higher basic exemption limits for senior citizens and very senior citizens are also significant. As regards profit-linked deductions, the highest tax expenditure is on account of section 80-IA and section 80-IBA of the Income-tax Act.

D. Charitable Entities

The Income-tax Act provides for exemptions to various entities including Government funded entities engaged in objects which are charitable in nature. In addition to this, specific exemption is also available to entities engaged in certain activities which satisfy social purposes. These entities receive donations, voluntary contributions and have other incomes from activities which are charitable in nature. The total receipts of such entities are required to be applied for the purposes for which these have been set up. These entities are required to file income tax return. The total number of electronically filed returns of such entities till 30th November 2024 for the assessment year 2023-24 is 2,50,682. The total amount applied by such entities for charitable and religious purposes during the FY 2022-23 is Rs 10,01,572.04 crores.

Appendix

Effective tax rate, inclusive of surcharge and education cess, of companies across industry (Financial Year 2022-23) (Number of companies-10,75,866)

S.No	SECTOR	SUBSECTOR	COMPANIES	GROSS TAX PAYABLE	PBT (POSITIVE), PBT>0	EFFECTIVE TAX RATE
1	AGRICULTURE, ANIMAL HUBANDRY AND FORESTRY	Agricultural and animal husbandry services	8,861	209.49	1,241.27	16.88%
2	AGRICULTURE, ANIMAL HUBANDRY AND FORESTRY	Raising of poultry and production of eggs	745	278.00	1,128.54	24.63%
3	AGRICULTURE, ANIMAL HUBANDRY AND FORESTRY	Growing and manufacturing of tea	1,184	200.77	1,195.12	16.80%
4	AGRICULTURE, ANIMAL HUBANDRY AND FORESTRY	Others	15,506	690.20	4,422.63	15.61%
5	FISH FARMING	Services related to marine and fresh water fisheries, fish hatcheries and fish farms	97	8.37	35.54	23.56%
6	FISH FARMING	Others	734	50.91	717.84	7.09%
7	MINING AND QUARRYING	Extraction of crude petroleum and natural gas	154	16,490.50	75,673.71	21.79%
8	MINING AND QUARRYING	Mining and agglomeration of hard coal	123	15,063.71	77,359.05	19.47%
9	MINING AND QUARRYING	Mining of nonferrous metal ores, except uranium and thorium ores	62	5,059.27	16,012.00	31.60%
10	MINING AND QUARRYING	Mining of iron ores	224	4,597.52	20,382.55	22.56%
11	MINING AND QUARRYING	Extraction and agglomeration of peat	4,251	2,568.74	9,342.74	27.49%
12	MANUFACTURING	Manufacture of refined petroleum products	444	19,256.46	1,05,237.85	18.30%
13	MANUFACTURING	Manufacture of pharmaceuticals, medicinal chemicals and botanical products	7,499	21,779.13	98,961.47	22.01%
14	MANUFACTURING	Manufacture of motor vehicles	639	16,561.44	62,225.19	26.62%
15	MANUFACTURING	Manufacture of parts & accessories of motor vehicles & engines	3,439	12,753.40	48,354.62	26.37%
16	MANUFACTURING	Manufacture of steel products	4,188	8,953.34	53,968.76	16.59%
17	MANUFACTURING	Manufacture of other chemical products	4,888	11,982.05	50,200.15	23.87%
18	MANUFACTURING	Manufacture of tobacco products	350	6,570.68	27,659.84	23.76%

S.No	SECTOR	SUBSECTOR	COMPANIES	GROSS TAX PAYABLE	PBT (POSITIVE), PBT>0	EFFECTIVE TAX RATE
19	MANUFACTURING	Manufacture of textiles (other than by handloom)	9,729	5,701.99	27,569.07	20.68%
20	MANUFACTURING	Manufacture of electrical machinery and apparatus	2,883	1,664.52	6,848.38	24.31%
21	MANUFACTURING-	Manufacture of cement, lime and plaster	696	4,168.49	17,971.76	23.19%
22	MANUFACTURING-	Manufacture of other food products	5,116	5,661.08	26,722.40	21.18%
23	MANUFACTURING-	Manufacture of Radio, Television, communication equipment and apparatus	313	2,239.88	8,371.05	26.76%
24	MANUFACTURING-	Manufacture of soap and detergents	383	1,396.43	6,631.70	21.06%
25	MANUFACTURING-	Manufacture of fertilizers and nitrogen compounds	1,211	4,146.43	17,829.68	23.26%
26	MANUFACTURING-	Manufacture of rubber products	1,213	2,275.02	9,312.49	24.43%
27	MANUFACTURING-	Manufacture of paints, varnishes and similar coatings	815	2,567.62	9,960.49	25.78%
28	MANUFACTURING-	Manufacture of plastic products	3,821	2,138.60	8,782.22	24.35%
29	MANUFACTURING-	Manufacture of paper and paper products	2,952	2,517.78	12,461.89	20.20%
30	MANUFACTURING-	Manufacture of engines and turbines	222	2,354.89	10,758.78	21.89%
31	MANUFACTURING-	others	1,05,659	91,356.01	3,88,718.00	23.50%
32	ELECTRICITY, GAS AND WATER-	Production, collection and distribution of electricity	5,872	17,124.45	1,37,397.91	12.46%
33	ELECTRICITY, GAS AND WATER-	Manufacture and distribution of gas	459	2,439.76	12,106.82	20.15%
34	CONSTRUCTION-	Construction and maintenance of roads, rails, bridges, tunnels, ports, harbour, runways etc.	5,995	12,268.96	69,706.57	17.60%
35	CONSTRUCTION-	Building of complete constructions or parts civil contractors	19,262	4,484.77	19,332.09	23.20%
36	REAL ESTATE AND RENTING SERVICES-	Developing and sub-dividing real estate into lots	9,851	2,449.34	12,386.49	19.77%
37	REAL ESTATE AND RENTING SERVICES-	Operating of real estate of self-owned buildings(residential and nonresidential)	3,902	1,442.67	11,007.38	13.11%

S.No	SECTOR	SUBSECTOR	COMPANIES	GROSS TAX PAYABLE	PBT (POSITIVE), PBT>0	EFFECTIVE TAX RATE
38	REAL ESTATE AND RENTING SERVICES-	Purchase, sale and letting of leased buildings(residential and nonresidential)	6,444	1,313.10	7,641.22	17.18%
39	REAL ESTATE AND RENTING SERVICES-	Real estate activities on a fee or contract basis	6,509	534.59	2,571.00	20.79%
40	WHOLESALE AND RETAIL TRADE-	Wholesale of electronic parts & equipment	3,978	2,249.79	9,018.58	24.95%
41	WHOLESALE AND RETAIL TRADE-	Wholesale and retail sale of motor vehicles	4,236	1,594.76	7,584.79	21.03%
42	WHOLESALE AND RETAIL TRADE-	Wholesale of other machinery, equipment and supplies	3,299	1,109.82	4,283.87	25.91%
43	WHOLESALE AND RETAIL TRADE-	Others	1,87,265	35,455.53	1,49,062.52	23.79%
44	TRANSPORT AND LOGISTICS SERVICES-	Freight transport by road	4,540	1,368.08	5,954.12	22.98%
45	FINANCIAL INTERMEDIATION SERVICES-	Commercial banks, saving banks and discount houses	344	75,190.50	3,58,995.76	20.94%
46	FINANCIAL INTERMEDIATION SERVICES-	Commercial loan activities	2,264	13,349.60	81,510.67	16.38%
47	FINANCIAL INTERMEDIATION SERVICES-	Others	49,726	1,00,767.16	3,38,570.81	29.76%
48	COMPUTER AND RELATED SERVICES-	Software development	27,627	60,556.70	2,43,374.08	24.88%
49	COMPUTER AND RELATED SERVICES-	Other IT enabled services	27,614	18,018.97	69,211.38	26.03%
50	COMPUTER AND RELATED SERVICES-	BPO services	2,149	3,590.86	13,535.14	26.53%
51	COMPUTER AND RELATED SERVICES-	Computer training and educational institutes	20,807	5,530.97	18,576.89	29.77%
52	RESEARCH AND DEVELOPMENT-	Other Research & Development activities n.e.c.	2,156	894.58	3,677.80	24.32%
53	PROFESSIONS-	Engineering and technical consultancy	5,289	1,908.80	6,077.03	31.41%
54	PROFESSIONS-	Business and management consultancy activities	8,471	1,547.39	5,854.72	26.43%
55	PROFESSIONS-	Advertising	2,555	627.26	2,397.90	26.16%
56	PROFESSIONS-	Architectural profession	1,199	112.85	427.54	26.39%
57	PROFESSIONS-	Others	23,548	1,746.01	6,419.39	27.20%

S.No	SECTOR	SUBSECTOR	COMPANIES	GROSS TAX PAYABLE	PBT (POSITIVE), PBT>0	EFFECTIVE TAX RATE
58	EDUCATION SERVICES-	Primary education	759	114.93	467.13	24.60%
59	HEALTHCARE SERVICES-	Speciality and super speciality hospitals	2,492	2,699.09	11,428.83	23.62%
60	HEALTHCARE SERVICES-	Diagnostic centres	2,019	437.61	1,862.92	23.49%
61	HEALTHCARE SERVICES-	General hospitals	3,178	666.00	2,672.32	24.92%
62	HEALTHCARE SERVICES-	Others	16,002	1,598.92	5,769.84	27.71%
63	CULTURE AND SPORT-	Television channels broadcast	468	1,330.03	4,961.30	26.81%
64	CULTURE AND SPORT-	Others	6,826	1,337.01	5,555.82	24.06%
65	HOTELS, RESTAURANTS AND HOSPITALITY SERVICES	All sectors	21,966	4,351.25	19,077.44	22.81%
66	TRANSPORT AND LOGISTICS SERVICES-	Others	19,618	7,885.44	40,249.25	19.59%
67	POSTS AND TELECOMMUNICATION SERVICES-	Activities of the cable operators	2,828	6,079.32	50,853.81	11.95%
68	RESEARCH AND DEVELOPMENT-	All sectors	314	36.73	142.64	25.75%
69	EDUCATION SERVICES-	All sectors	15,109	1,430.30	5,425.28	26.36%
70	SOCIAL AND COMMUNITY WORK-	All Sectors	5,296	58.90	170.87	34.47%
71	ELECTRICITY, GAS AND WATER-	Collection, purification and distribution of water	1,798	412.79	3,172.50	13.01%
72	CONSTRUCTION-	Building completion	50,078	9,173.30	42,866.17	21.40%
73	REAL ESTATE AND RENTING SERVICES-	Other real estate/renting services n.e.c	39,402	5,797.98	29,381.08	19.73%
74	RENTING OF MACHINERY- Renting of agricultural machinery and equipment	Renting of agricultural machinery and equipment	2,427	430.07	1,953.33	22.02%
75	OTHER SERVICES		2,61,524	63,230.80	1,81,448.38	34.85%
76	**TOTAL**		**10,75,866**	**7,46,010.44**	**32,10,198.19**	**23.24%**

*Only profit-making companies (i.e PBT>0) have been considered in this analysis.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UN-STARRED QUESTION NO. 229
TO BE ANSWERED ON TUESDAY, THE 04 FEB, 2025/ 15 MAGHA, 1946 (SAKA)

CORPORATE TAX COLLECTION

229. Shri Randeep Singh Surjewala

Will the Minister of FINANCE be pleased to state:

(a) the total corporate tax collection as a percentage of GDP in the last five years, year-wise;

(b) the instances of corporate tax reduction / relaxation in the last five years along with the rationale behind such moves; and

(c) the estimated loss of revenue incurred by Government due to the reduction/relaxation in corporate tax in the last five years?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) The total corporate tax collection as a percentage of GDP in the last five years, year-wise is as under:

(Rs. In Crore)

Financial Year	**Corporate Tax**	**GDP (Current Market Price)**	**Percentage of Corporate tax to GDP**
2019-20	5,56,876	2,00,74,856	2.8%
2020-21	4,57,719	1,98,29,927	2.3%
2021-22	7,12,037	2,35,97,399	3.0%
2022-23	8,25,834	2,69,49,646	3.1%
2023-24 (Provisional)	9,11,055	2,95,35,667	3.1%

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

(b) With an intent to attract fresh investments, create jobs and stimulate the overall economy the Taxation Laws (Amendment) Act, 2019 inter alia inserted the section 115BAA and section 115BAB in the Income-tax Act, 1961. Section 115BAA reduced the domestic corporate tax rates to 22% (effective rate 25.17% including surcharge and cess) for existing companies not availing any incentive or deduction. Section 115BAB reduced the corporate tax rate for new manufacturing companies to 15% (effective rate 17.16% including surcharge and cess) which have been set up or registered on or after 01.10.2019 and which commence manufacturing or production by 31.03.2024 and do not avail any incentive or deductions.

(c) The estimated revenue foregone due to the tax incentives by way of various deductions in corporate tax in the last five years has been laid before the Parliament as part of Budget Documents and the same is as under:

Financial Year	**Total Revenue Forgone** (In Rs. Crore)
2018-19	1,03,966.13
2019-20	8,043.07
2020-21	75,218.02
2021-22	96,892.39
2022-23 (Projected)	1,09,333.38

Source: Receipt Budgets

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 243
ANSWERED ON- 4/02/2025

REVENUE LOSS DUE TO TAX INCENTIVE

243 DR. ASHOK KUMAR MITTAL:
Will the Minister of FINANCE be pleased to state:

(a) the details of the different types of tax breaks given to corporates and the amount of potential revenue loss due to these tax incentives since January 2020;
(b) the mechanisms in place to monitor the utilization of tax breaks by corporates to ensure that they are used effectively for growth and development;
(c) the steps being taken to extend tax incentives to emerging sectors like green energy, electric vehicles, and artificial intelligence to attract investments; and
(d) whether the tax breaks contributed to job creation, particularly in labour-intensive sectors such as manufacturing and services, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The details of income exemption/deduction claimed by companies in ITR-6 from Assessment Year 2020-21 (upto 31-May-2021) to Assessment Year 2024-25 (upto 31-Dec-2024) is enclosed at Annexure-A.

(c): In case of renewable energy projects the following dispensation has been created under GST

- Under entry at serial no. 201A of schedule II of notification No. 01-2017 -CTR dated 28.06.2017 renewable energy devices and their parts attract GST rate of 12%. However when they are supplied by a supplier along with supplies of other goods and services one of which is a taxable service specified at Sl. No. 38 of notification No. 11/2017 –CTR dated 28.06.2017 (service rate notification), the value of supply of goods for the purposes of this entry shall be deemed as 70% of the gross consideration charged for all such supplies and the remaining 30% of the gross consideration charged shall be deemed as the value of the said taxable service.

- Sr. No. 38 of notification No. 11/2017 –CTR dated 28.06.2017 specifies rate of 18% on service by way of construction or engineering or installation or other technical services, provided in relation of setting up of renewable energy projects.
- Thus the effective rate of tax on renewable energy projects works out to be 13.80% considering a ratio of 70:30. 70% being value of goods (GST @ 12%) and 30% (GST @ 18%) being value of services;

* In case of electric vehicles, GST is applicable at the rate of 5% on sale of new electric vehicles.

(d): Taxation rates & exemptions are part of the overall fiscal policy of the Government which aims at holistic growth of the economy including job creation

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ANNEXURE- A

Summary on ITR-6 submitted by Companies for AY 2020-21 to AY 2024-25 (upto 31-Dec-2024)				Schedule EI : Total Exempt Income (Rs.)	Schedule HP : Total amount of 30% of Annual Value (24A) (Rs.)	Schedule HP : Total amount of interest on borrowed capital (24B) (Rs.)	Schedule Chapter-VIA : Total amount of deductions claimed u/s 80 in Chapter-VIA (Rs.)	Part-B TI : Total amount of deduction u/s 10AA (Rs.)	Schedule CG : Deductions u/s 54 (Rs.)									
S#	AY	FORM_ID	TOTAL_ITRS	SUM_TOTAL_INCOME_EI	HP_30P_ANNUAL_VALUE_SEC24A	HP_INTR_ON_BRWD_CAP_SEC24B	TOTAL_CHAPTER_VIA_CAL	DEDUCT_SEC_10A_OR_10AA	SEC_115F_AMT	SEC_54_AMT	SEC_54B_AMT	SEC_54D_AMT	SEC_54EC_AMT	SEC_54EE_AMT	SEC_54F_AMT	SEC_54G_AMT	SEC_54GA_AMT	SEC_54GB_AMT
1	2020	ITR-6	917,507	3,591,257,375,548	95,254,397,677	51,966,879,007	1,017,900,476,259	600,256,906,198	0	0	0	168,895,147	649,206,181	0	0	401,120,779	2,415,133	0
2	2021	ITR-6	969,219	2,165,323,888,640	83,048,456,179	47,114,565,762	1,378,261,971,032	613,691,472,831	0	0	0	234,479,360	740,398,046	0	0	420,852,162	35,581,488	0
3	2022	ITR-6	1,029,241	4,042,820,025,687	90,949,667,433	46,306,602,642	1,842,859,175,926	711,454,373,457	0	0	0	199,832,020	1,087,813,352	0	0	693,099,965	0	0
4	2023	ITR-6	1,077,316	4,183,143,475,963	106,962,943,817	49,607,023,268	2,045,771,472,218	684,239,686,742	0	0	0	226,185,939	921,818,690	0	0	651,064,618	0	0
5	2024	ITR-6	1,114,345	5,350,773,186,276	119,937,433,419	58,608,450,913	2,032,793,790,423	684,320,116,335	0	0	0	281,069,248	899,583,985	0	0	2,662,462,441	318,945,858	0

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-855
ANSWERED ON – 11.02.2025

TAX ON LIFE SAVING DRUGS

855. SHRI BABUBHAI JESANGBHAI DESAI:
DR. K. LAXMAN:
SHRI BABURAM NISHAD:
SHRI BRIJ LAL:
SHRI IRANNA KADADI:
DR. PARMAR JASHVANTSINH SALAMSINH:
SMT. KIRAN CHOUDHRY:
DR. MEDHA VISHRAM KULKARNI:
SHRI NARHARI AMIN:

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

(a) whether any steps have been taken to reduce import duties or taxes on life saving drugs for rare diseases;
(b) if so, the details thereof;
(c) whether GST exemptions are applicable for such imports; and
(d) if so, the procedure to avail such exemptions?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): (i) All drugs, medicines and Food for Special Medical Purposes (FSMP) used for the treatment of rare diseases listed in Annexure 'A' are exempted from basic customs duty and IGST, when imported by

1. individuals for personal use
2. by Centres of Excellence listed in Annexure B, or any person or institution recommended by any of the Centre of Excellence.

(ii) In Union Budget 2025-26, life-saving drugs or medicines at Annexure 'C' for rare diseases have been added to List 4 of notification No. 50/2017-Customs, which attracts Nil Basic customs duty.

(d): The procedure prescribed under notification No. 50/2017-Customs is as follows:

(i) For personal imports, the individual has to furnish a form (attached as Annexure ‘D’) certified by Director General or Deputy Director General or Assistant Director General, Health Services, New Delhi, Director of Health Services of the State Government or the District Medical Officer/Civil Surgeon of the district before Deputy Commissioner of Customs or the Assistant Commissioner of Customs at the time of clearance or gives an undertaking as acceptable to the Deputy Commissioner or the Assistant Commissioner to furnish the said certificate within such period as may be specified by the Deputy Commissioner or the Assistant Commissioner, failing which to pay duty leviable thereon.

(ii) For imports by any person or institution, there has to be recommendation by any of the Centre of Excellence listed in Annexure ‘B’, certifying that the person (by name) for whom the drugs or medicines [Drugs, Medicines or Food for Special Medical Purposes (FSMP)] are being imported, is suffering from a rare disease (to be specified by name) and requires these drugs or medicines [Drugs, Medicines or Food for Special Medical Purposes (FSMP)] for the treatment of said rare disease.

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Annexure A

1. Lysosomal Storage Disorders (LSDs)
2. Adrenoleukodystrophy
3. Severe Combined Immunodeficiency (SCID)
4. Chronic Granulomatous disease
5. Wiskot Aldrich Syndrome
6. Osteopetrosis
7. Fanconi Anemia
8. Laron's Syndrome
9. Tyrosinemia
10.Glycogen storage disorders (GSD) I, III and IV due to poor metabolic control, multiple liver adenomas, or high risk for Hepatocellular carcinoma, or condition of substantial cirrhosis or liver dysfunction, or progressive liver failure
11. Maple Syrup Urine Disease (MSUD)
12. Urea cycle disorders
13. Organic acidemias
14. Autosomal recessive Polycystic Kidney Disease
15. Autosomal dominant Polycystic Kidney Disease
16. Phenylketonuria (PKU)
17. Non-PKU hyperphenylalaninemia conditions
18. Homocystinuria
19. Urea Cycle Enzyme defects
20. Glutaric Aciduria type 1 and 2
21. Methyl Malonic Acidemia
22. Propionic Acidemia
23. Isovaleric Acidemia
24. Leucine sensitive hypoglycemia
25. Galactosemia
26. Glucose galactose malabsorbtion
27. Severe Food protein allergy
28. GH deficiency
29. Prader Willi Syndrome
30. Turner syndrome
31. Noonan syndrome
32. Acidemias, mitochondrial disorders

33. Acute Intermittent Porphyria
34. Wilson's Disease
35. Congenital Adrenal Hyperplasia
36. Neonatal onset Multisysteminflammatory Disease(NoMID)
37. Gaucher Disease Type I and III
38. Hurler Syndrome [Mucopolysaccharisosis (MPS) Type I]
39. Hunter syndrome (MPS II)
40. Pompe Disease
41. Fabry Disease
42. MPS IVA
43. MPS VI
44. Cystic Fibrosis.
45. Duchenne Muscular Dystrophy
46. Spinal Muscular Atrophy
47. Wolman Disease
48. Hypophosphatasia
49. Neuronal ceroid lipofuschinosis
50. Hypophosphatic Rickets
51. A typical Hemolytic Uremic Syndrome.

Annexure B

(1) AIIMS, New Delhi
(2) Centre for Human Genetics, Bengaluru
(3) Institute of Post Graduate Medical Education and Research, Kolkata
(4) King Edward Memorial Hospital, Mumbai
(5) Maulana Azad Medical College, New Delhi
(6) Nizam Institute of Medical Sciences, Secundarabad
(7) PGIMR, Chandigarh
(8) Sanjay Gandhi Post Graduate Institute of Medical Science, Lucknow.

Annexure C

1. Onasemnogene abeparvovec
2. Risdiplam
3. Spesolimab
4. Velaglucerase Alpha
5. Agalsidase Alfa
6. Rurioctocog Alpha Pegol
7. Idursulphatase
8. Alglucosidase Alfa
9. Laronidase
10. Olipudase Alfa
11. Agalsidase Beta
12. Imiglucerase

Annexure D

Form for Drugs/Medicines/FSMP used for treatment of Rare Diseases covered under S. No.607B of the Table.

Certificate No............. of .... (year) Certified that the medicine......................(name of the Drug/Medicine/FSMP) to be used for the treatment of ....(patient name), is a Drug/Medicine/ Food for Special Medical Purposes (FSMP) used specifically for treatment of rare disease specified in List 38and exemption from the payment of customs duty is recommended.

Signature with date of Director General /
Deputy Director General /
Assistant Director General,
Health Services, New Delhi or
Director of Health Services or
District Medical Officer/Civil Surgeon

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UN-STARRED QUESTION NO. 860
ANSWERED ON - 11/02/2025

CORPORATE TAX COLLECTION

860. Smt. Darshana Singh:
Shri Kesridevsinh Jhala:
Dr. Anil Sukhdeorao Bonde:
Smt. Rekha Sharma:
Dr. Sumer Singh Solanki:
Ms. Kavita Patidar:
Smt. Sangeeta Yadav:
Shri Mithlesh Kumar:
Shri Narayana Koragappa:
Shri Madan Rathore:
Dr. Medha Vishram Kulkarni:

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; and

(c) the incentives proposed to be introduced to attract more international corporations, like Apple and Google to establish operations in India and how these incentives would impact tax revenue?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (b) Yes.

There has been an overall increase in corporate 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 corporate tax collection in the last five years are as under:

(Rs. In Crore)

Financial Year	Net Corporate Tax Collection
2019-20	5,56,876
2020-21	4,57,719#
2021-22	7,12,037
2022-23	8,25,834
2023-24	9,11,055
2024-25 (up to 31.12.2024)	7,39,994*

Source: Pr. CCA (CBDT)
#Covid affected Year
*Provisional

(c) At present, no specific incentives with respect to income-tax are being considered to attract international corporations, like Apple and Google to establish operations in India.

However, Finance Bill, 2025 proposed to provide a presumptive taxation regime for any non-resident who provides service or technology to a resident company that is establishing or operating an electronics manufacturing facility which satisfies certain conditions. This will result in an effective tax rate of less than 10 per cent on gross receipts by a non-resident company.

Further, it is proposed in the Budget Speech 2025-26 to introduce a safe harbour for tax certainty for non-residents who store components for supply to specified electronics manufacturing units. The above initiatives are aimed at promoting electronics manufacturing industry in the country.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 1339
ANSWERED ON- 11/03/2025

TAX COLLECTION FROM GAMING COMPANIES

1339. SHRI RANDEEP SINGH SURJEWALA:
Will the Minister of FINANCE be pleased to state:

(a) the total tax revenue collected from online gaming companies, including real money gaming and e-Sports, since 2017, year-wise;
(b) the total number of tax evaders that have been identified among the online gaming companies till date, along with amount of money involved;
(c) whether Government has issued any show cause notices to these companies, if so, the details thereof along with the amount of money involved;
(d) the measures taken to prevent tax evasion by online gaming platforms operating in the country; and
(e) whether Government classifies online games involving real money as betting/gambling for taxation purposes, if so, the implications for tax collection?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): As there is no business code in the 'nature of business' field of the Income Tax Return (ITR) for online gaming companies, the details of the taxes paid by such companies cannot be sourced from the ITR filed by such companies.

Under GST, there is no distinct tariff item or service code for the supply of online gaming, including real money gaming and e-Sports.

(b): The details of cases registered against online gaming companies is as follows

Period	No. of cases	Amount involved (Rs. in Cr)
2017-18 (w.e.f. July 2017) to 2024-25 (Upto January 2025)	158	1,53,167.37

(c) The details of Show Cause Notices issued against online gaming companies is as follows

Period	No. of Show Cause Notice issued	Amount involved (Rs. in Cr)
2017-18 (w.e.f. July 2017) to 2024-25 (Upto January 2025)	91	1,43,961.83

(d) In respect of Indirect Taxes, some of the recent policy measures / reforms undertaken/ being undertaken by Government, on the recommendations of the GST Council, to prevent tax evasion in the country, including online gaming platforms, are as follows:

(i) To bring discipline in return filing and to promote timely filing of GSTR-3B returns, restriction has been made on filing of FORM GSTR-1, if taxpayer fails to furnish the FORM GSTR-3B return for preceding tax period.

(ii) Provision has also been made to make filing of FORM GSTR-1 mandatory before filing of FORM GSTR-3B for a tax period and also for mandating sequential filing of FORM GSTR-1.

(iii) Amendments have been made to limit the input tax credit availment to the extent the details of such supply have been furnished by the supplier in his FORM GSTR-1 and which has been made available to the taxpayer in his FORM GSTR-2B.

(iv) To encourage self-discipline and self-compliance by the taxpayers, provision has been made for system-based intimation of the difference in liability in FORM GSTR-1 and FORM GSTR-3B for a tax period, to the taxpayer on the common portal, for enabling the taxpayer to either pay the differential liability or explain the difference.

(v) Electronic invoicing system (e-invoice) has been made mandatory for all B2B transactions for businesses with turnover exceeding Rs. 5 crore.

(vi) Sub-rule (4A) has been inserted in Rule 8 of CGST Rules, 2017 to provide for risk based biometric-based Aadhaar authentication of registration applicants. Biometric-based Aadhar authentication of GST registration applications has been extended on pan-India basis.

(vii) Centralized suspension of registrations pertaining to registered persons who do not file returns continuously for a period of six months, is carried out in terms of provisions of Rule 21A of the CGST Rules, 2017.

In respect of direct taxes, whenever any credible information/intelligence of violation of Direct Tax Laws relating to any taxpayer comes to notice, the Income Tax Department takes appropriate action including issuing notices, conducting enquiries, mounting search & seizure or survey action, and assessment and consequential actions thereto, wherever applicable.

(e) In respect of Indirect Taxes, w.e.f. 01.10.2023, the following definitions have been inserted in the Central Goods and Services Tax Act, 2017 on the recommendations made by the GST Council in its 50th and 51st Meetings:

- “Specified actionable claim” means the actionable claim involved in or by way of— (i) betting; (ii) casinos; (iii) gambling; (iv) horse racing; (v) lottery; or (vi) online money gaming;
- "online gaming" means offering of a game on the internet or an electronic network and includes online money gaming;
- “Online money gaming” means online gaming in which players pay or deposit money or money’s worth, including virtual digital assets, in the expectation of winning money or money’s worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force.

On the recommendations of the GST Council, the valuation of supply of actionable claims involved in online money gaming is done based on the amount paid or payable to or deposited with the supplier (initial deposit), by or on behalf of the player (excluding the amount entered into games/ bets out of winnings of previous games/ bets).

As per the recommendations of the GST Council, 'online money gaming' is treated as a 'specified actionable claim' and GST at the rate of 28% is levied on the same."

In respect to direct taxes, the income from winning from online games is not classified as income from betting/gambling for taxation purposes under the Income-tax Act, 1961 (‘the Act’). Net winning from online games are charged to tax under section 115BBJ of the Act whereas any income from gambling or betting, earned legally, is charged to tax under section 115BB of the Act.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1351
ANSWERED ON 11.03.2025

IMPACT OF NEW INCOME TAX BILL

1351. SHRI NARHARI AMIN:
SMT. REKHA SHARMA:
SHRI BRIJ LAL:
SHRI MADAN RATHORE:

Will the Minister of FINANCE be pleased to state:

(a) how Government plans to ensure that the simplifications, through the new income tax Bill do not lead to unintended ambiguities or legal challenges in interpretation;

(b) how the Bill impacts revenue collection and taxpayer behaviour;

(c) how the simplification exercise aligns with the broader objectives of tax transparency, ease of doing business, and digitisation efforts under faceless assessment and e-filing initiatives; and

(d) whether reorganisation of sections will require businesses and professionals to undergo new compliance training?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b) The Government announced a comprehensive review of the Income-tax Act, 1961 (the Act). As a consequence of the said review, the Income-tax Bill, 2025 (Bill No. 24 of 2025) has been introduced in the Lok Sabha on 13.02.2025 and referred to the Select Committee of Lok Sabha for examination.

The purpose behind the introduction of the Income-tax Bill was to simplify the existing Income-tax Act, 1961 by making it concise, lucid, easy to read and understand. The simplification exercise was guided by three core principles: -

1. Textual and structural simplification for improved clarity and coherence.
2. No major tax policy changes to ensure continuity and certainty.
3. No modifications of tax rates, preserving predictability for taxpayers

For this purpose, a three-pronged approach was adopted: -

1. Eliminating intricate language to enhance readability.
2. Removing redundant and repetitive provisions for better navigation.
3. Reorganizing sections logically to facilitate ease of reference.

While undertaking the simplification exercise, conscious attempt has been made to minimise the scope of unintended ambiguity, leading to fresh interpretations and litigation. For this purpose, the following measures have been taken among others:

a. Key words/phrases, especially where courts have given rulings, have been retained with minimal modifications, and language has been simplified by use of short sentences.
b. Provisions have been made clear to minimize scope for multiple interpretations. The provisos and explanations have been removed and simplified content has been placed as sub-sections and clauses.
c. Formulae and tables have been used to enhance clarity.
d. Provisions involving same issues and definitions, which were present in different chapters in the existing Act have been consolidated.

The Income-tax Bill, 2025, thus reflects the Government's commitment to enhance ease of doing business by providing a tax framework that is simple, clear and unambiguous.

While the exercise of simplification carried out may not have a direct or immediate effect on revenue collection *per se,* all amendments proposed up to Finance Bill 2025 have been duly incorporated in the new Income tax bill 2025. Therefore, the Bill stands updated from a policy perspective. Further, it is expected that the changes proposed in the structure of the Bill, and efforts undertaken to make the provisions in the Bill concise, lucid, easy to read and understand (as noted above) shall act as a nudge towards increased taxpayer compliance.

(c) The simplification exercise aims to create a statute of taxation that is accessible to and comprehended by not just tax professionals but informed citizens as well. Ease of paying taxes is an important pillar of ease of doing business. The approach of using clear and lucid language, increased use of tabular format for representation of information and mathematical formulas for easier understanding aims to increase tax certainty, improve ease of paying taxes and enhance ease of doing business. The existing technological reforms undertaken by the department including initiatives like pre-filled ITRs, Annual Information Statement, faceless proceedings, e-filing of various forms etc. are all retained in the Bill.

(d) Reorganisation of sections in the Income-tax Bill, 2025 has been done to facilitate ease of reference and provide a legal framework for implementing direct tax policy that is simple, clear and unambiguous. This reorganisation of sections is not expected to require businesses and professionals to undergo any new compliance training. In fact, it is expected to make compliance easier for the ordinary tax-payer.

Further, with a view to ease understanding of the new Bill, the Notes on clauses to the Income-tax Bill, 2025 explain in detail the various provisions contained in the Bill.

In addition to the above, utility to check section of Income-tax Act, 1961 (as amended by Finance (No. 2) Act, 2024) vis-a-vis corresponding Clause of the Income-tax Bill, 2025, an Income-tax Bill, 2025 navigator and Frequently Asked Questions (FAQs) for the Income-tax Bill, 2025 have been made available in the public domain, and have been appreciated and well-received.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1352
ANSWERED ON 11.03.2025

IMPACT OF REDUCTION IN TAX RATES

1352. SHRI NARHARI AMIN:
SMT. REKHA SHARMA:
SHRI BABURAM NISHAD:

Will the Minister of FINANCE be pleased to state:

(a) how the reduction in tax rates and the standard deduction for salaried individuals will specifically benefit the middle class in terms of overall financial relief;

(b) the measures being taken to monitor the long-term impact of these tax changes on household consumption; and

(c) whether there will be any additional reforms aimed at including lower-income groups or those in rural areas who may not fully benefit from the proposed changes, particularly in terms of the tax rebates?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The Finance Bill, 2025 has proposed to revise tax rate structure in the new tax regime as follows: -

Total income	Rate of tax
Upto Rs. 4,00,000	Nil
From Rs. 4,00,001 to Rs. 8,00,000	5 per cent
From Rs. 8,00,001 to Rs. 12,00,000	10 per cent
From Rs. 12,00,001 to Rs. 16,00,000	15 per cent
From Rs. 16,00,001 to Rs. 20,00,000	20 p er cent
From Rs. 20,00,001 to Rs. 24,00,000	25 per cent
Above Rs. 24,00,000	30 per cent

Slabs and rates are being changed across the board to benefit all taxpayers. The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment.

Further, Finance Bill, 2025 has also proposed to increase the rebate for the resident individual under the new regime of an amount equal to the tax payable under the above slabs on income up to Rs. 12,00,000. Marginal relief as provided earlier under the new tax regime is also applicable for income marginally higher than Rs. 12,00,000.

These measures will play a big role in the creation of fair, equitable direct taxation regime that ensures no additional burden of direct taxes on the working and middle-class population of the country.

(b) There are no specific or separate measures to monitor the long-term impact on domestic consumption of these reforms in taxation.

(c) There is no such proposal in this regard. The revised tax structure proposed in the Finance Bill 2025 positively impacts all earning sections of the population and shall benefit all taxpayers.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1365
ANSWERED ON 11.03.2025

INCREASE IN INCOME TAX RECEIPTS DESPITE TAX CUTS

1365. SHRI MALLIKARJUN KHARGE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government expects an increase in income tax collections for Financial Year 2025-26 despite the reduction in tax slabs, if so, the reasons therefor;

(b the projected income tax receipts for Financial Year 2025-26 and how they compare to the previous three years; and

(c) whether Government has assessed the impact of the tax cuts on revenue generation, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) Yes, the effect of the change in tax slabs and rates of taxation as proposed in the Finance Bill, 2025 has been incorporated into the calculation of the Budget Estimates for Financial Year 2025-26. The Budget Estimates for F.Y 2025-26 have been estimated at Rs.25.20 lakh Crores, which is an increment of 12.65 per cent over the Revised Estimates for FY 2024-25 (Rs. 22.37 lakh Crores). This projection has been made after having moderated the rate of direct tax buoyancy, factoring in the reduction in rates of taxation and change in tax slabs proposed and possible tax to be foregone as a consequence.

(b) The projected income tax receipts for F.Y 2025-26 as compared to the revised estimates and actual collections for the previous three years are shown below:

Financial Year	**Amount (in Rs Lakh Crores)**	**Rate of Increase over Previous Year**
2025-26 (Budget Estimates)	25.20	12.65%
2024-25 (Revised Estimates)	22.37	14.13%
2023-24 (Actual Collections)	19.60	17.85%
2022-23 (Actual Collections)	16.63	

(c) The impact of the proposed changes in tax slabs and rates of taxation, in terms of the total revenue foregone has been worked out at approximately Rs. 1 lakh crore. The benefit derived by taxpayers in different brackets of income has been factored in while making this calculation.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
UN-STARRED QUESTION NO. 1366

ANSWERED ON 11/03/2025

Collection and sharing of corporate taxes

1366. Smt. Rajani Ashokrao Patil:

Will the Minister of FINANCE be pleased to state:

(a) the amount of revenue generated by the Ministry from corporate taxes in each State, and how this revenue is shared with the respective State Governments;

(b) how the Ministry is ensuring that the revenue generated from corporate taxes in each State is utilized for the development and welfare of the State's population; and

(c) the details of any financial incentives or support provided by the Ministry to encourage corporate investment and growth in different States?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) The amount of revenue generated from corporate taxes in each State from the financial year 2022-23 onwards is as under:

State-wise gross corporate tax collected

(Rs. in Crores)

Sl.No.	State / Union Territory	FY 2022-23	FY 2023-24	FY 2024-25 (as on 28.02.2025)
1	Andaman And Nicobar Islands	37.95	35.76	35.62
2	Andhra Pradesh	8,226.77	7,616.58	6,435.97
3	Arunachal Pradesh	113.35	59.89	48.28
4	Assam	4,755.55	4,090.83	3,158.31
5	Bihar	2,105.01	1,972.31	1,842.08
6	Chandigarh	1,616.75	1,764.96	1,336.67
7	Chhattisgarh	5,667.09	10,109.17	5,795.38

8	Dadra & Nagar Haveli, Daman and Diu	405.19	496.03	427.85
9	Delhi	1,34,914.13	1,33,160.47	1,24,449.74
10	Outside India	11,309.95	24,619.13	27,456.86
11	Goa	1,413.09	1,667.63	1,554.96
12	Gujarat	46,177.92	50,422.62	47,518.5
13	Haryana	33,854.01	39,688.74	37,969.
14	Himachal Pradesh	1,042.59	1,019.90	823.48
15	Jammu and Kashmir	1,082.70	1,113.75	1,103.13
16	Jharkhand	3,367.12	3,760.06	3,367.34
17	Karnataka	1,12,450.17	1,15,163.00	1,01,915.
18	Kerala	10,474.21	11,282.63	10,056.88
19	Ladakh	0.41	0.37	1.21
20	Lakshadweep	1.29	1.50	0.73
21	Madhya Pradesh	8,954.19	9,039.07	7,984.64
22	Maharashtra	4,11,025.91	4,94,970.19	4,39,918.79
23	Manipur	91.23	94.70	59.72
24	Meghalaya	369.87	426.11	261.92
25	Mizoram	52.56	37.18	34.08
26	Nagaland	32.68	86.70	182.94
27	Odisha	13,189.68	13,727.19	14,626.63
28	Puducherry	288.82	291.49	224.28
29	Punjab	5,680.23	5,337.42	4,672.47
30	Rajasthan	15,762.88	15,150.57	13,438.66
31	Sikkim	178.63	207.27	179.58
32	Tamil Nadu	59,665.36	71,330.26	60,821.42
33	Telangana	36,526.87	43,573.59	43,503.38
34	Tripura	63.84	51.61	45.12
35	Uttarakhand	14,229.48	12,729.78	10,572.86
36	Uttar Pradesh	16,982.22	16,639.96	16,640.42
37	West Bengal	35,443.78	38,451.02	31,164.48
	Gross Collection	**9,97,553.50**	**11,30,189.47**	**10,19,628.36**

Source: DGIT(Systems)

The interse share of States in the Net Proceeds of shareable taxes of the Union is made as per the recommendations of the Finance Commission in terms of Article 280(3)(a) of the Constitution of India. According to the Fifteenth Finance Commission, states are entitled to 41% of the net proceeds of shareable central taxes, which inter-alia includes corporate tax. The distribution of revenue among the States is based on various criteria such as income distance, per capita income, population, forest and ecology, demographic performance and tax effort.

(b) The Central Government transfers the allocated share of tax revenues to State Governments, which are responsible for its budgeting and expenditure. These funds are utilized for various developmental and welfare initiatives, including infrastructure development, healthcare, education, and social welfare programs implemented by the State Governments.

(c) The financial incentives and support provided by the Ministry to encourage investment and growth in different States, *inter alia* include:

(i) Production Linked Investment (PLI) Scheme for different sectors
(ii) Scheme for Special Assistance to States for Capital Investment
(iii) Contribution to India Infrastructure Project Development Fund.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 1372
ANSWERED ON- 11/03/2025

RECOVERY OF OUTSTANDING TAX DUES

1372 SHRI VIVEK K. TANKHA:
Will the Minister of FINANCE be pleased to state:

(a) the total amount of outstanding tax dues as per the latest reports of the Comptroller and Auditor General (CAG);
(b) the reasons for such a large accumulation of unpaid taxes; and
(c) the specific measures taken by Government to improve tax collection and recovery?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): As per Report No. 14 of 2024 of CAG on "Outstanding Demand on Income Tax Assessees" the total amount of outstanding demand of direct tax is Rs. 14,41,255 crore (as on 31.03.2021).

Total amount of Outstanding Dues on Central Excise & Service Tax as per CAG Audit Report No. 05 of 2022 (Tax dues as Arrears), is Rs. 2,26,633 crore (as on 31.03.2021).

Total amount of Outstanding Customs Duties Dues as per CAG Audit Report No. 30 of 2022 (Tax dues as Arrears), is Rs.42,601 crore (as on 31.03.2022).

No such Outstanding GST Dues (Tax dues as Arrears) has been observed in the latest Audit Report No. 7 of 2024 on GST.

(b): The major the major reasons for a large accumulation of unpaid taxes are following:

- Demand is stayed by courts/ITAT/IT authorities,
- Assessee is not traceable,
- There are no assets/inadequate assets for recovery
- Arrear where appeal period is not over.
- Arrears in Litigation/Appeal: SC/HC/CESTAT/Commissioner (Appeal)/ Additional Secretary (Revision Application).
- Restrained Arrear: OL//DRT/BIFR/NCLT-Units taken over by Financial Institutions.
- Many assessees are not found at their registered addresses.
- Several pending cases involve businesses that have shut down.
- Defaulters are difficult to locate, and efforts are being made through FIU-IND to trace them.
- Some defaulters have filed writ petitions in the High Court, delaying recovery.
- Some assessees had leased land, preventing its attachment for recovery.
- Notices were sent to banks to freeze accounts and recover dues, but in many cases, accounts had insufficient or no balance.

(c) In respect of direct taxes , the specific measures taken by the Income-tax Department to improve tax collection include: -

(i) Phasing out of exemptions and deductions and simplification/rationalisation of tax laws.

(ii) Reducing litigation and widening of tax base by promoting voluntary compliance which includes New Form 26AS, Pre-filling of Income-tax Returns, E-Verification Scheme, facility to the taxpayer for Updated Return, and expansion of TDS/TCS by bringing new transactions into its ambit, etc.

(iii)Steps taken to promote digital transactions to create less cash economy such as TDS on cash withdrawal above a threshold.

(iv)Awareness programmes to generate awareness about the installments of advance tax, timely payment of self-assessment tax and regular assessment tax, etc.

(v) Other steps such as, making the payment of tax easier through online mode like RTGS, NEFT, Debt/credit card or Net Banking.

(vi) Launch of mobile app (available on Android/IOS platform) and responsive version of the Tax Payer Services (TPS) section at the national website called "Aaykar Setu" to facilitate online payment/calculation of the taxes.

The specific measures taken by the Income-tax Department to improve tax recovery include:

(i) Demand Facilitation Centre (DFC) for facilitation of arear demand management has been set up.

(ii) Monitoring the arrear demand reduction in respect of top 5000 cases of arrear demand in all the jurisdictions.

(iii) Targets have been given to field formations for annual cash collection and reduction of the demand.

(iv) Specific steps have been outlined such as litigation management, appeal/ rectification effects, demand segregation, etc.

(v) Efforts of the assessing officer to collect/recover the outstanding demand are regularly reviewed/monitored by the superior authorities.

(vi) 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.

(vii) Guidelines for Tax Recovery Officers for recovery and guidelines to filed authorities for dealing with stay petitions have been issued.

In respect of indirect taxes, some of the recent policy measures taken by the Government, to improve tax collection mechanism and recovery are as under:

i. In respect of the recoverable arrears, letters have been issued to the taxpayers from time to time for payment of outstanding Government dues and also issued Detention Notices. Correspondences with the local authorities (viz. RTO/ Municipality/ Sub-Registrar/ Banks) are being made for identification of the property and other details of the defaulters and also, placing alert in the EDI system for recovery of arrears. Letters are also being written to authorities like NSDL & CDSL, so that details of their investments could be obtained and recovery can be initiated.

ii. For cases under litigation, regular monitoring of the cases is being carried out for early disposal of the cases and taking proactive measures by filing Petition before legal forums such as Hon'ble CESTAT and Commissioner (Appeals) for early hearing, and prompt follow-up of appeal.

iii. In cases, where PAN/ Bank Account details of the defaulters are identified, letters are being written to the Chief Compliance Officer/ Branch Manager of the banks so that Govt. dues could be recovered.
iv. All measures including visits to known addresses of assesses, issuance of Detention Notices, correspondence with other Govt. agencies viz. Income Tax, GST etc. are being made in all cases where recovery has not been stayed by any Appellate Authority/ Judicial fora.
v. Co-ordination with State Revenue authorities is being done at Commissionerate/ Divisional level in all the cases of arrears where defaulters are not traceable.
vi. Provisions have been made for cleaning up the taxpayer base by strengthening verification of business entities through Biometric-based Aadhaar authentication for new registrations.

vii. Centralized suspension of registrations pertaining to registered persons who do not file returns continuously for a period of six months, is carried out in terms of provisions of Rule 21A of the CGST Rules, 2017.
viii. Provisions have been made to restrict the generation of e-way bills by non-compliant taxpayers.
ix. Availment of Input tax credit in respect of those invoices where details have not been furnished by the suppliers in their outward supply statement has been restricted to the eligible credit in respect of invoices the details of which have been furnished by the suppliers.
x. A registered person is not allowed to furnish the details of outward supplies under section 37 in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for the preceding tax period.
xi. Electronic invoicing has been extended to cover taxpayers having aggregate turnover exceeding Rs. 5 crores.
xii. Artificial intelligence based on network analysis have been implemented to identify risky taxpayers.
xiii. Nationwide special drive has been carried out against unscrupulous entities for availing and passing on Input Tax Credit (ITC) fraudulently on the strength of fake/bogus invoices.

The Government, on the recommendations of the GST Council, has taken several reforms in GST. These measures have improved the GST compliance and increased the GST collection. These inter-alia include:-

i. Structural changes like calibration of GST rates for correcting inverted duty structure and pruning of exemptions;
ii. Measures for improving tax compliance such as mandating e-way bill, ITC matching, mandating e-invoice, deployment of artificial intelligence and machine-based analytics, aadhaar authentication for registration, calibrated action on non-filers, stop filers, targeted assessment-based action on risky tax payer, integration of e-way bill with fast tag etc.

System based analytical tools and system generated red flag reports are being shared with Central as well State Tax authorities to take action against tax evaders

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1981

ANSWERED ON 18.03.2025

REVISION OF TAX LIMIT FOR PREVENTIVE HEALTH CHECK-UPS

1981. SHRI MOHAMMED NADIMUL HAQUE:

Will the Minister of FINANCE be pleased to state:

(a) whether Government aims to revise the tax deduction limit for preventive health check-ups from ₹5,000, considering the rising costs of comprehensive health checks and 12-14% healthcare inflation rate, if not, the reasons therefor; and

(b) the steps being taken to improve early detection and intervention rates for serious conditions and AI integration in risk screening for preventive care?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) There is no such proposal under consideration to increase the tax benefit. It has been the stated policy of the Government to simplify the Income-tax Act, 1961 by removing exemptions and incentives while at the same time reducing the rates of taxes.

(b) Through Ayushman Arogya Mandir, comprehensive primary healthcare is provided by strengthening Sub Health Centres (SHCs) and Primary Health Centres (PHCs). These Ayushman Arogya Mandir (AAM) provide preventive, promotive, rehabilitative and curative care for an expanded range of services encompassing reproductive and child healthcare services, Communicable diseases, Non-communicable diseases and other health issues. As updated by the States/UTs in AAM portal, a total of 1,76,573 Ayushman Arogya Mandirs with 393.61 crore footfall have been established and operationalized till 28.02.2025

The expanded range of services at these AAMs includes Reproductive and child care services, Communicable diseases, Non-communicable diseases, Palliative Care and elderly Care, Care for common mental disorders, neurological conditions (epilepsy, dementia) and substance use disorders management (tobacco, alcohol, drugs), Oral health ENT care, and Basic emergency care.

Screening services for various Non communicable diseases i.e. hypertension, diabetes, oral cancer, breast cancer, cervical cancer etc. along with wellness sessions like Yoga, cycling, and meditation are also conducted at these AAMs. As on 28.02.2025, a total of 107.10 crore screenings are done for hypertension, 94.56 crore for diabetes, 62.66 crore for oral cancer, 28.58 crore for breast cancer, 18.76 crore for cervical cancer and a total of 5.06 cr wellness sessions including yoga have been conducted under Ayushman Arogya Mandir including Ayushman Melas.

Further, the teleconsultation services, available at operational AAMs, enables people to access the specialist services closer to their homes addressing concerns of physical accessibility, saving cost to care, shortage of service providers and to ensure continuum of care. Total teleconsultation conducted at Ayushman Arogya Mandir including Ayushman Melas are 33.94 cr as on 28.02.2025.

The Indian Council of Medical Research (ICMR), Department of Health Research, Ministry of Health and Family Welfare has undertaken several initiatives to integrate Artificial Intelligence (AI) into healthcare for improving patient care, diagnostics, and public health monitoring. The measures taken can be categorized into policy initiatives, facilitating the development of AI-driven healthcare applications, and public health AI interventions.

Policy and infrastructure Measures

ICMR developed Ethical guidelines for application of AI in Biomedical Research in March 2023 with an aim to provide a comprehensive ethical framework for the development, deployment, and adoption of AI-based solutions in biomedical research and healthcare.
ICMR established National institute of Research in Digital Health and Data Sciences in Oct 2024 to advance the integration of digital health and data science into biomedical research and healthcare.

Extramural funding support

The Indian Council of Medical Research (ICMR) has been supporting Investigator initiated projects on developing AI/ML based applications in healthcare. These initiatives focus on developing gold-standard datasets, AI/ML-driven diagnostics, and predictive models for improved disease management. The projects include development of epidemic intelligence platforms, AI-based early disease prediction models, disease burden estimation, predictive analytics for non-communicable diseases, and smartphone-based non-invasive diagnostics. These projects enhance healthcare by enabling early diagnosis, optimizing clinical workflows, and strengthening public health surveillance. The research spans multiple institutions across the country ensuring a broad national impact. Through these strategic investments, ICMR aims to revolutionize healthcare delivery by integrating AI/ML tools for data-driven decision-making, ultimately improving patient outcomes and resource allocation.

ICMR-IISc Centre for Medical Image Datasets (MIDAS) focusing on strengthening the India AI ecosystem in India by providing high-quality, standardized datasets for medical imaging. It is playing a crucial role in AI-driven healthcare innovation, supporting researchers, startups, and clinicians in developing reliable AI solutions while ensuring fair, ethical, and clinically relevant AI applications.

ICMR has initiated many programs on AI-Powered Epidemiology predicting disease outbreaks of infectious diseases such as COVID-19, dengue, and malaria through AI-based early warning systems.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UN-STARRED QUESTION NO. 1984
TO BE ANSWERED ON TUESDAY, THE 18th MARCH, 2025
PHALGUNA 27, 1946 (SAKA)

Tax Devolution to States

1984. Dr. John Brittas:

Will the Minister of FINANCE be pleased to state:

(a) the details of States whose percentage-wise inter se tax shares from overall tax devolution have been decreased during the last five years;

(b) the year-wise details including the share and quantum of tax devolution to each State; *and*

(c) the reasons for the decline in percentage-wise tax devolution to some States?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

Part (a to c): It is the prerogative of the Finance Commission to decide upon the criteria for tax devolution for each State in terms of Article 280(3)(a) of the Constitution of India. Details showing *inter-se* shares of States in the net proceeds of the taxes (divisible pool), and the amount of devolution are given in Table 1 and 2, respectively.

Table 1: Inter-se shares of States in the net proceeds of the taxes

State	Share (%) (15th FC Final report) [FY 2021-22 to FY 2025-26]	Share (%) (15th FC Interim report) [FY 2020-21]	Share (%) (14th FC report) [FY 2015-16 to FY 2019-20]
Andhra Pradesh	4.047	4.111	4.305
Arunachal Pradesh	1.757	1.760	1.370
Assam	3.128	3.131	3.311
Bihar	10.058	10.061	9.665
Chhattisgarh	3.407	3.418	3.080
Goa	0.386	0.386	0.378
Gujarat	3.478	3.398	3.084

State	Share (%) (15th FC Final report) [FY 2021-22 to FY 2025-26]	Share (%) (15th FC Interim report) [FY 2020-21]	Share (%) (14th FC report) [FY 2015-16 to FY 2019-20]
Haryana	1.093	1.082	1.084
Himachal Pradesh	0.830	0.799	0.713
Jharkhand	3.307	3.313	3.139
Karnataka	3.647	3.646	4.713
Kerala	1.925	1.943	2.500
Madhya Pradesh	7.850	7.886	7.548
Maharashtra	6.317	6.135	5.521
Manipur	0.716	0.718	0.617
Meghalaya	0.767	0.765	0.642
Mizoram	0.500	0.506	0.460
Nagaland	0.569	0.573	0.498
Odisha	4.528	4.629	4.642
Punjab	1.807	1.788	1.577
Rajasthan	6.026	5.979	5.495
Sikkim	0.388	0.388	0.367
Tamil Nadu	4.079	4.189	4.023
Telangana	2.102	2.133	2.437
Tripura	0.708	0.709	0.642
Uttar Pradesh	17.939	17.931	17.959
Uttarakhand	1.118	1.104	1.052
West Bengal	7.523	7.519	7.324
Jammu & Kashmir	-	-	1.854
Total	**100.00**	**100.00**	**100.00**

Table 2: Share of Union Taxes and Duties released to the States since FY 2019-20

(₹ Crore)

State	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (till 10.3.2025)
Andhra Pradesh	28242.39	24460.59	35385.83	38176.74	45710.74	52080.15
Arunachal Pradesh	8987.57	10472.58	14643.90	16689.17	19845.22	22610.55
Assam	21721.44	18629.32	28150.55	29694.26	35330.57	40253.77
Bihar	63406.33	59861.41	91352.62	95509.85	113604.49	129434.93
Chhattisgarh	20205.84	20337.54	28570.86	32358.26	38481.88	43844.17
Goa	2479.85	2296.53	3356.98	3665.19	4359.85	4967.38
Gujarat	20232.09	20218.53	31105.78	33034.00	39283.63	44757.99
Haryana	7111.53	6437.59	9722.16	10378.00	12345.35	14065.65
Himachal Pradesh	4677.56	4753.92	7349.04	7883.98	9374.72	10681.24
Jammu & Kashmir	6801.81	-	-	-	-	-
Jharkhand	20593.04	19712.23	27734.64	31404.12	37352.35	42557.30
Karnataka	30919.00	21694.11	33283.58	34596.18	41192.63	46932.72
Kerala	16401.05	11560.40	17820.09	18260.68	21742.92	24772.38

State	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 (till 10.3.2025)
Madhya Pradesh	49517.61	46922.16	69541.50	74542.85	88665.34	101020.45
Maharashtra	36219.64	36504.01	54318.06	60000.98	71349.75	81292.84
Manipur	4047.77	4271.97	6009.65	6795.08	8087.14	9214.13
Meghalaya	4211.78	4551.63	6580.63	7286.14	8663.22	9870.40
Mizoram	3017.80	3010.55	4222.87	4745.25	5647.47	6434.44
Nagaland	3267.08	3409.25	4875.46	5400.19	6426.82	7322.37
Odisha	30453.25	27542.67	38144.79	42989.33	51143.68	58270.00
Punjab	10345.78	10638.21	15288.79	17163.65	20409.92	23254.04
Rajasthan	36049.14	35575.77	54030.61	57230.78	68063.21	77547.76
Sikkim	2407.69	2308.47	3353.69	3680.28	4382.44	4993.11
Tamil Nadu	26392.40	24924.51	37458.60	38731.24	46072.28	52491.88
Telangana	15987.59	12691.62	18720.54	19668.15	23742.04	27050.25
Tripura	4211.78	4218.45	6077.52	6724.23	7996.82	9111.14
Uttar Pradesh	117818.30	106687.01	160358.05	169745.30	202619.69	230854.62
Uttarakhand	6901.54	6568.72	9906.25	10617.01	12627.75	14387.36
West Bengal	48048.40	44737.01	65540.75	71434.93	84971.79	96812.42
TOTAL	**650677.05**	**594996.76**	**882903.79**	**948405.82**	**1129493.71**	**1286885.44**

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UN-STARRED QUESTION NO. 1996
TO BE ANSWERED ON TUESDAY, THE 18th MARCH, 2025
PHALGUNA 27, 1946 (SAKA)

Devolution of taxes to States

1996. Shri Tiruchi Siva:

Will the Minister of FINANCE be pleased to state:

(a) the actual percentage of vertical devolution to States since the Fifteenth Finance Commission was constituted, compared to the recommended 41 per cent level;

(b) if the actual per cent was lower than recommended levels, the reasons therefor; and

(c) the State-wise breakdown of the percentage of central tax devolution recommended by the Finance Commission versus the actual per cent and amount of proceeds transferred to each State, since the Fifteenth Finance Commission was constituted?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a to c): Based on the recommendations of the 15th Finance Commission, the Union Government is devolving 41 per cent of the divisible pool of taxes to the States. Out of the same, the *inter-se* shares of States, as recommended by the 15th Finance Commission *(FY 2021-22 to FY 2025-26)* is followed for determining the share of each State. Throughout the 15th FC cycle, the percentage share of each State is the same. Details on percentage share of States along with the amount since FY 2021-22 is given below:

(₹ crore)

State	Share (%) (15th FC Final report)	2021-22	2022-23	2023-24	2024-25 (till 10.3.2025)
Andhra Pradesh	4.047	35385.83	38176.74	45710.74	52080.15
Arunachal Pradesh	1.757	14643.90	16689.17	19845.22	22610.55
Assam	3.128	28150.55	29694.26	35330.57	40253.77
Bihar	10.058	91352.62	95509.85	113604.49	129434.93
Chhattisgarh	3.407	28570.86	32358.26	38481.88	43844.17
Goa	0.386	3356.98	3665.19	4359.85	4967.38
Gujarat	3.478	31105.78	33034.00	39283.63	44757.99
Haryana	1.093	9722.16	10378.00	12345.35	14065.65
Himachal Pradesh	0.830	7349.04	7883.98	9374.72	10681.24
Jharkhand	3.307	27734.64	31404.12	37352.35	42557.30
Karnataka	3.647	33283.58	34596.18	41192.63	46932.72
Kerala	1.925	17820.09	18260.68	21742.92	24772.38
Madhya Pradesh	7.850	69541.50	74542.85	88665.34	101020.45
Maharashtra	6.317	54318.06	60000.98	71349.75	81292.84
Manipur	0.716	6009.65	6795.08	8087.14	9214.13
Meghalaya	0.767	6580.63	7286.14	8663.22	9870.40
Mizoram	0.500	4222.87	4745.25	5647.47	6434.44
Nagaland	0.569	4875.46	5400.19	6426.82	7322.37
Odisha	4.528	38144.79	42989.33	51143.68	58270.00
Punjab	1.807	15288.79	17163.65	20409.92	23254.04
Rajasthan	6.026	54030.61	57230.78	68063.21	77547.76
Sikkim	0.388	3353.69	3680.28	4382.44	4993.11
Tamil Nadu	4.079	37458.60	38731.24	46072.28	52491.88
Telangana	2.102	18720.54	19668.15	23742.04	27050.25
Tripura	0.708	6077.52	6724.23	7996.82	9111.14
Uttar Pradesh	17.939	160358.05	169745.30	202619.69	230854.62
Uttarakhand	1.118	9906.25	10617.01	12627.75	14387.36
West Bengal	7.523	65540.75	71434.93	84971.79	96812.42
TOTAL	**100.00**	**882903.79**	**948405.82**	**1129493.71**	**1286885.44**

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 2771
ANSWERED ON- 25/03/2025

ACTION AGAINST UNTRACEABLE TAX DEFAULTERS

2771. SHRI VIVEK K. TANKHA:

Will the Minister of FINANCE be pleased to state:

(a) the number of cases where tax defaulters have been declared untraceable
(b) the total tax amount involved in such cases; and
(c) the specific enforcement measures taken by Government to trace and recover dues from these defaulters?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The number of cases where tax defaulters have been declared untraceable and tax amount involved are as follows:

	Number of assessees	Amount involved (Rs. In Cr.)
Direct Taxes	47,674	5,90,652.49
Indirect Taxes	60,853	43,524.91
		(as on 31/01/2025)

(c): The measures taken by Central Board of Direct Taxes to recover dues from the tax defaulters include the following:

(i) Making available databases like Individual Transaction Statement and 360- degree profile generated by the Department and those maintained by other agencies like FIU-IND to the field units for identification of assets for recovery.

(ii) Monitoring of efforts of the assessing officer to collect/recover the outstanding demand regularly by the superior authorities.

(iii) Monitoring the arrear demand collection/reduction in respect of top 5000 cases of arrear demand in all the jurisdictions.

(iv) Giving targets to field formations for annual cash collection and reduction of the demand.

(v) Guidelines for Tax Recovery Officers for recovery and guidelines to field authorities for dealing with stay petitions have been issued.

The measures taken by Central Board of Indirect taxes to recover dues from the tax defaulters include the following:

(i) Steps are being taken under the provisions of Section 142 of Customs Act, 1962 and Chapters XV and XVI and other relevant sections of CGST Act, 2017, read with CBIC Circular No. 1081/02/2022-CX dated 19.01.2022 to trace and recover dues form these defaulters such as by coordinating with Income Tax Department and various banks, attachment of bank accounts of defaulters is done.

(ii) Information are being sought from Financial Intelligence Unit (FIU- IND) about these defaulters.

(iii) Correspondences with the local authorities (viz. RTO/ Municipality/ Sub-Registrar/ Banks/ Electricity providers etc.) are being made for identification of the property and other details of the defaulters and also, placing alert in the EDI system for the recovery of arrears.

(iv) Letters are also being written to authorities like NSDL & CDSL, so that details of their investments could be obtained and recovery can be initiated.

(v) In cases, where PAN/ Bank Account details of the defaulters are identified, letters are being written to the Chief Compliance Officer/ Branch Manager of the banks so that Govt. dues could be recovered.

(vi) Co-ordination with State Revenue authorities is being done at Commissionerate/ Divisional level in all the cases of arrears where defaulters are not traceable.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 3431

ANSWERED ON 01.04.2025

EXEMPTION FROM INCOME TAX ON ANNUAL INCOME UP TO ₹ 12 LAKH

3431 SHRI NARESH BANSAL:

Will the Minister of FINANCE be pleased to state:

(a) the manner in which the reduction in tax rates and standard deduction for salaried individuals will specifically benefit the middle class in terms of overall financial relief;
(b) the measures being taken to track the long-term impact of such tax changes on household consumption; and
(c) whether any additional reforms have been proposed to target lower-income groups or people in rural areas, who may not fully benefit from the proposed changes, particularly in terms of tax rebates?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The Finance Bill, 2025 has proposed to revise tax rate structure in the new tax regime as follows: -

Total income	Rate of tax
Upto Rs. 4,00,000	Nil
From Rs. 4,00,001 to Rs. 8,00,000	5 per cent
From Rs. 8,00,001 to Rs. 12,00,000	10 per cent
From Rs. 12,00,001 to Rs. 16,00,000	15 per cent
From Rs. 16,00,001 to Rs. 20,00,000	20 per cent
From Rs. 20,00,001 to Rs. 24,00,000	25 per cent
Above Rs. 24,00,000	30 per cent

Slabs and rates are being changed across the board to benefit all taxpayers. The new structure will substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment.

Further, Finance Bill, 2025 has also proposed to increase the rebate for the resident individual under the new regime of an amount equal to the tax payable under the above slabs on income up to Rs. 12,00,000. Marginal relief as provided earlier under the new tax regime is also applicable for income marginally higher than Rs. 12,00,000. Further standard deduction of Rs 75,000 is also available to the salaried taxpayers.
These measures will play a big role in the creation of fair, equitable direct taxation regime that ensures no additional burden of direct taxes on the working and middle-class population of the country.

(b) There are no specific or separate measures to monitor the long-term impact on domestic consumption of these reforms in taxation.

(c) There is no such proposal in this regard. The revised tax structure proposed in the Finance Bill 2025 positively impacts all earning sections of the population and shall benefit all taxpayers.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 3437
ANSWERED ON- 01/04/2025

STRUCTURAL REFORMS IN TAX ASSESSMENT AND RECOVERY

3437. SHRI VIVEK K. TANKHA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government acknowledges structural inefficiencies in the current tax assessment and recovery system;
(b) if so, the reforms being implemented to improve efficiency and accountability; and
(c) whether any technology-driven solutions are being considered to enhance tax compliance and enforcement?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): No. The Indian tax assessment and recovery system, while effective, has undergone significant reforms in recent years to enhance efficiency and accountability. These reforms are not necessarily due to inherent structural inefficiencies but are part of a proactive strategy to modernize, simplify, and increase transparency. Key reform measures include the digitalization of tax processes, faceless assessments and appeals, the use of electronic tracking systems etc. Additionally, the introduction of the Goods and Services Tax Network (GSTN) platform for GST filings ensures real-time monitoring and minimizes fraudulent claims. Various customs reforms and digital initiatives, such as the risk management system, electronic duty payments, electronic bonds and bank guarantees, and automated refunds, have further contributed to improving the efficiency and accountability of tax administration. To safeguard revenue and target tax evaders, the “Project Anveshan” (Analytics, Verification, Shortlisting of Anomalies) was initiated, using techniques like facial recognition systems (FRS), E-way bill data, and other tools to identify GSTINs with a high propensity for fraudulent activity. These measures have proven effective, either directly increasing revenue collection or plugging revenue leakage. Regarding tax recovery, the Demand Facilitation Centre (DFC) was established in Mysuru in June 2022 to assist taxpayers in resolving outstanding tax demands, particularly those requiring rectification or eligible for reduction. The DFC serves as a facilitation point, guiding taxpayers through the resolution process.

(c): A comprehensive range of technology-driven solutions has been implemented to improve tax compliance. Current systems include machine learning algorithms, behavioral anomaly detection models, and rule-based interdictions for risk assessment. Future advancements being developed include advanced AI models integrating natural language processing, computer vision, and data analytics such as predictive, fraud, and geospatial analytics. By combining data from various internal and external sources, the Income Tax Department (ITD) has been able to identify potential cases of tax evasion and promote voluntary compliance. Technology-driven solutions are also being considered for the upcoming Integrated E-filing and CPC (IEC) 3.0 project, which aims to enhance the e-filing experience and provide numerous benefits to taxpayers, ensuring better compliance and enforcement.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA UNSTARRED QUESTION NO. 3445

ANSWERED ON 01/04/2025

TAX CONCESSIONS TO CORPORATE COMPANIES

3445. Shri Sandeep Kumar Pathak:

Will the Minister of FINANCE be pleased to state:-

(a) the number of corporate companies that were given tax concessions by government in the last three years, the total amount of tax concession, the main reasons for giving these concessions and the year-wise details thereof; and

(b) the names of those 50 companies to whom maximum tax concessions were given and the amount of concession given, the year-wise list thereof and the reasons for giving concessions to these specific companies?"

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b)

1) Tax concessions are a component of government's direct tax policy. Income-tax Act, inter alia, provides for tax concessions to eligible corporates in the form various deductions and exemptions from the taxable income to promote exports; balanced regional development; creation of infrastructure facilities; employment; rural development; and scientific research and development.

2) The various sections of Income-tax Act, 1961 under which tax concessions in the form of deductions and exemptions are provided generally to corporate companies are mentioned in Annexure A.

3) Disclosure of information in respect of specific assessees can only be provided as per the provisions of section 138 of the Income-tax Act, 1961 in cases where it is necessary for the purpose of enabling the concerned officer, Authority or body to perform its function under the respective law in public interest.

4) The number of companies who have filed returns of income in different financial years is as under:

Financial Year	**2021-22**	**2022-23**	**2023-24 (upto 28.02.2025)***
Number of Companies which have filed returns of income for the respective financial year	1,025,717	1,075,866	1,120,417

Source: Receipt Budget for respective years
* Source: Directorate of Systems, Income Tax Department

The revenue impact of tax concessions given in respect of corporate companies from F.Y. 2021-22 to 2023-24 is mentioned in Annexure B.

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Annexure-A

1) **Special provisions in respect of newly established Units in Special Economic Zones.**

Section 10AA provides that in computing the total income of an assessee, being an entrepreneur as referred to in clause (*j*) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005), from his Unit, who begins to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after the 1st day of April, 2006, but before the first day of April, 2021, the following deduction shall be allowed subject to the provisions of this section —

(*i*) hundred per cent of profits and gains derived from the export, of such articles or things or from services for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which the Unit begins to manufacture or produce such articles or things or provide services, as the case may be, and fifty per cent of such profits and gains for further five assessment years and thereafter;

(*ii*) for the next five consecutive assessment years, so much of the amount not exceeding fifty per cent of the profit as is debited to the profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to a reserve account (to be called the "Special Economic Zone Re-investment Reserve Account") to be created and utilized for the purposes of the business of the assessee in the manner laid down in sub-section (2):

Provided that no such deduction shall be allowed to an assessee who does not furnish a return of income on or before the due date specified under sub-section (1) of section 139.

2) **Deduction in respect of donations to certain funds, charitable institutions, etc.**

Section 80G provides that in computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section,—

(*i*) in a case where the aggregate of the sums specified in sub-section (2) includes any sum or sums of the nature specified in sub-clause (*i*) or in sub-clause (*iiia*) or in sub-clause (*iiiaa*) or in sub-clause (*iiiab*) or in sub-clause (*iiib*) or in sub-clause (*iiie*) or in sub-clause (*iiif*) or in sub-clause (*iiig*) or in sub-clause (*iiiga*) or sub-clause (*iiih*) or sub-clause (*iiiha*) or sub-clause (*iiihb*) or sub-clause (*iiihc*) or sub-clause (*iiihd*) or sub-clause (*iiihe*) or sub-clause (*iiihf*) or sub-clause (*iiihg*)or sub-clause (*iiihh*) or sub-clause (*iiihi*) or sub-clause (*iiihj*) or sub-clause (*iiihk*) or sub-clause (*iiihl*) or sub-clause (*iiihm*) or in sub-clause (*vii*) of clause (*a*) or in clause (*c*) or in clause (*d*) thereof, an amount equal to the whole of the sum or, as the case may be, sums of such nature *plus* fifty per cent of the balance of such aggregate; and

(*ii*) in any other case, an amount equal to fifty per cent of the aggregate of the sums specified in sub-section (2).

3) **Deduction in respect of contributions given by companies to political parties.**

Section 80GGB. provides that in computing the total income of an assessee, being an Indian company, there shall be deducted any sum contributed by it, in the previous year to any political party or an electoral trust:

Provided that no deduction shall be allowed under this section in respect of any sum contributed by way of cash

4) **Deduction in respect of contributions given by any person to political parties.**

Section 80GGC provides that in computing the total income of an assessee, being any person, except local authority and every artificial juridical person wholly or partly funded by the Government, there shall be deducted any amount of contribution made by him, in the previous year, to a political party or an electoral trust :

Provided that no deduction shall be allowed under this section in respect of any sum contributed by way of cash.

5) **Deductions in respect of profits and gains from industrial undertakings or enterprises engaged in infrastructure development, etc.**

Section 80-IA provides that where the gross total income of an assessee includes any profits and gains derived by an undertaking or an enterprise from any eligible business referred to in sub-section (4) of section 80-IA, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business for ten consecutive assessment years.

6) **Deductions in respect of profits and gains by an undertaking or enterprise engaged in development of Special Economic Zone.**

Section 80-IAB. provides that where the gross total income of an assessee, being a Developer, includes any profits and gains derived by an undertaking or an enterprise from any business of developing a Special Economic Zone, notified on or after the 1st day of April, 2005 under the Special Economic Zones Act, 2005, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains derived from such business for ten consecutive assessment years:

(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any ten consecutive assessment years out of fifteen years beginning from the year in which a Special Economic Zone has been notified by the Central Government :

(3) The provisions of sub-section (5) and sub-sections (7) to (12) of section 80-IA shall apply to the Special Economic Zones for the purpose of allowing deductions under sub-section (1).

7) **Special provision in respect of specified business.**

Section 80-IAC. provides that where the gross total income of an assessee, being an eligible start up, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains derived from such business for three consecutive assessment years.

(2) The deduction specified in sub-section (1) may, at the option of the assessee, be claimed by him for any three consecutive assessment years out of ten years beginning from the year in which the eligible start-up is incorporated.

(3) This section applies to a start-up which fulfils the following conditions, namely:—
(*i*) it is not formed by splitting up, or the reconstruction, of a business already in existence:
(*ii*) it is not formed by the transfer to a new business of machinery or plant previously used for any purpose.

(4) The provisions of sub-section (5) and sub-sections (7) to (11) of section 80-IA shall apply to the start-ups for the purpose of allowing deductions under sub-section (1).

8) **Deduction in respect of profits and gains from certain industrial undertakings other than infrastructure development undertakings.**

Section 80-IB provides that where the gross total income of an assessee includes any profits and gains derived from any eligible business referred to in sub-sections (3) to (11), (11A) and (11B), there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction from such profits and gains of an amount equal to such percentage and for such number of assessment years as specified in this section.

9) **Deductions in respect of profits and gains from housing projects.**

Section 80-IBA. Provides that where the gross total income of an assessee includes any profits and gains derived from the business of developing and building housing projects, there shall, subject to the provisions of this section, be allowed, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business.

(1A) Where the gross total income of an assessee includes any profits and gains derived from the business of developing and building rental housing project, there shall be allowed a deduction of an amount equal to hundred per cent of the profits and gains derived from such business.

10) **Special provisions in respect of certain undertakings in North-Eastern States.**

Section 80-IE provides that where the gross total income of an assessee includes any profits and gains derived by an undertaking, to which this section applies, from any business referred to in sub-section (2), there shall be allowed, in computing the total income of the assessee, a deduction of an amount equal to hundred per cent of the profits and gains derived from such business for ten consecutive assessment years commencing with the initial assessment year.

11) **Deduction in respect of profits and gains from business of collecting and processing of bio-degradable waste.**

Section 80JJA. Provides that where the gross total income of an assessee includes any profits and gains derived from the business of collecting and processing or treating of bio-degradable waste for generating power or producing bio-fertilizers, bio-pesticides or other biological agents or for producing bio-gas or making pellets or briquettes for fuel or organic manure, there shall be allowed, in computing the total income of the assessee, a deduction of an amount equal to the whole of such profits and gains for a period of five consecutive assessment years beginning with the assessment year relevant to the previous year in which such business commences.

12) **Deduction in respect of employment of new employees.**

Section 80JJAA. Provides that where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

13) **Deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre.**

Section 80LA. Provides that where the gross total income of an assessee, being a scheduled bank, or, any bank incorporated by or under the laws of a country outside India; and having an Offshore Banking Unit in a Special Economic Zone, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to—

(*a*) one hundred per cent of such income for five consecutive assessment years beginning with the assessment year relevant to the previous year in which the permission, under clause (*a*) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or any other relevant law was obtained, and thereafter;
(*b*) fifty per cent of such income for five consecutive assessment years:

Provided that for the assessment year commencing on or after the 1st day of April, 2023, the deduction under this clause shall be one hundred per cent of such income.

(1A) Where the gross total income of an assessee, being a Unit of an International Financial Services Centre, includes any income referred to in sub-section (2), there shall be allowed, in accordance with and subject to the provisions of this section, a deduction from such income, of an amount equal to one hundred per cent of such income for any ten consecutive assessment years, at the option of the assessee, out of fifteen years, beginning with the assessment year relevant to the previous year in which the permission, under clause (*a*) of sub-section (1) of section 23 of the Banking Regulation Act, 1949 (10 of 1949) or permission or registration under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or permission or registration under the International Financial Services Centres Authority Act, 2019 (50 of 2019) was obtained.

14) **Deduction in respect of certain income of Producer Companies.**

Section 80PA. provides that Where the gross total income of an assessee, being a Producer Company having a total turnover of less than one hundred crore rupees in any previous year, includes any profits and gains derived from eligible business, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction of an amount equal to one hundred per cent of the profits and gains attributable to such business for the previous year relevant to an assessment year commencing on or after the 1st day of April, 2019, but before the 1st day of April, 2025.

15) **Accelerated Depreciation**

Section 32 provides that in the case of any new machinery or plant (other than ships and aircraft), which has been acquired and installed after the 31st day of March, 2005, by an assessee engaged in the business of manufacture or production of any article or thing or in the business of generation, transmission or distribution of power, a further sum equal to twenty per cent of the actual cost of such machinery or plant shall be allowed as deduction under clause (*ii*)

Provided that where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new machinery or plant (other than ships and aircraft) for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, the provisions of clause (*iia*) shall have effect, as if for the words "twenty per cent", the words "thirty-five per cent" had been substituted.

16) **Deduction for expenditure on scientific research**

Section 35 provides for deduction for expenditure on scientific research incurred by assessee. Further, where the assessee pays any sum to a National Laboratory or a University or an Indian Institute of Technology or a specified person with a specific direction that the said sum shall be used for scientific research undertaken under a programme approved in this behalf by the prescribed authority, then—

(a) there shall be allowed a deduction of a sum equal to one and one-half times the sum so paid ; and

(b) no deduction in respect of such sum shall be allowed under any other provision of this Act.

Furthermore, where a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing, not being an article or thing specified in the list of the Eleventh Schedule incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to one and one-half times of the expenditure so incurred.

17) **Deduction in respect of expenditure on specified business.**

Section 35AD provides that an assessee shall, if he opts, be allowed a deduction in respect of the whole of any expenditure of capital nature incurred, wholly and exclusively, for the purposes of any specified business carried on by him during the previous year in which such expenditure is incurred by him.

Provided that the expenditure incurred, wholly and exclusively, for the purposes of any specified business, shall be allowed as deduction during the previous year in which he commences operations of his specified business, if—

(*a*) the expenditure is incurred prior to the commencement of its operations; and

(*b*) the amount is capitalised in the books of account of the assessee on the date of commencement of its operations.

Annexure -B

Sl. No.	Nature of Incentive	Revenue Impact (in Rs.Crore) [FY 2021-22]	Revenue Impact (in Rs.Crore) [FY 2022-23]	Projected Revenue Impact (in Rs.Crore) [FY 2023-24]
1	Deduction of export profits of units located in SEZs (section 10AA)	24,677.18	23,736.27	26,670.08
2	Accelerated Depreciation (section 32)	21,477.69	18,742.69	21,059.29
3	Deduction for expenditure on scientific research (Section 35(1), (2AA) & (2AB))	2,557.02	3,229.36	3,628.51
4	Deduction in respect of specified business (section 35AD)	1,517.96	596.18	669.87
5	Deduction on account of donations to charitable trusts and institutions (section 80G)	1,132.90	1,172.93	1,317.90
6	Deduction on account of contributions to political parties (section 80GGB)	1,775.46	514.4	577.98
7	Deduction of profits of undertakings engaged in development of infrastructure facilities (section 80-IA)	8,213.25	4,896.46	5,501.66
8	Deduction of profits of undertakings engaged in generation, transmission and distribution of power (section 80-IA)	15,286.40	15,968.93	17,942.69
9	Deduction of profits of undertaking engaged in revival of power plant (section 80-IA)	102.22	37.68	42.33
10	Deduction of profits of undertakings engaged in development of SEZs in pursuance to SEZ Act, 2005 (section 80-IAB)	695.25	422.65	474.89
11	Deduction of profits of industrial undertakings located in Jammu & Kashmir (80-IB)	265.93	-	-
12	Special provision in respect of specified business (section 80-IAC)	-	276.26	310.41
13	Deduction of profits of industrial undertakings derived from production of mineral oil and natural gas (section 80-IB)	123.12	252.4	283.6
14	Deduction of profits of industrial undertakings derived from housing projects (section 80-IB)	12.99	10.9	12.25
15	Deduction of profits of industrial undertakings derived from integrated business of handling, storage and transportation of food grains (section 80-IB)	5.61	10.31	11.59

16	Deduction of profits of industrial undertakings derived from processing, preservation and packaging of fruits and vegetables (section 80-IB)	125.78	91.62	102.94
17	Deduction of profits and gains from housing projects (section 80-IBA)	410.68	786.11	883.27
18	Deduction of profits of undertakings set-up in North Eastern States(section 80-IE)	1,977.92	1,944.11	2,184.40
19	Deduction of profits of undertakings set-up in Sikkim (section 80-IE)	3,866.06	3,942.48	4,429.77
20	Deduction of profits from business of collecting and processing of biodegradable waste (section 80JJA)	8.62	13.19	14.82
21	Deduction in respect of employment of new workmen (section 80JJAA)	2,632.94	3,448.27	3,874.48
22	Deduction in respect of certain incomes of Offshore Banking Units [OBUs] and International Financial Services Center (section 80-LA)	1.04	0.01	0.01
23	Deductions in respect of certain incomes of International Financial Services Centre 80LA(1A)	178.16	527.45	592.64
24	Deduction in respect of contributions given by companies to political parties(80GGC)	12.37	21.07	23.67
25	Deduction in respect of certain income of Producer Companies(80PA)	18.46	33.51	37.65
	Total	**87,075.01**	**80,675.24**	**90,646.70**

Source: Receipt Budget for respective years