

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3515

ANSWERED ON:16.12.2005

ASSESSMENT OF TAXES AND EXPENDITURE

Jha Shri Raghunath;Manoj Kumar Shri ;Mehta Shri Alok Kumar;Veerendra Kumar Shri M.P.

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

- (a) whether the cost of collection of direct and indirect taxes in the country are the lowest in the world;
- (b) if so, the details thereof and reasons therefor;
- (c) the steps taken by the Government to check tax evasion and widen the tax net;
- (d) whether computerization has helped to widen tax base; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a)&(b): Information is being collected and will be laid on the Table of the House.

(c): The steps taken by the Government to check tax evasion and widen the tax net include issue of guidelines for scrutiny of returns, close scrutiny of the financial statements of companies through audit, identification of assessees and commodities prone to evasion, undertaking search, seizure and survey actions in appropriate cases, setting up of Tax Information Network, introduction of a Banking Cash Transaction Tax in respect of cash withdrawals from banks subject to a certain limit, making it obligatory for all banks to report all deposits which are exempt from Tax Deducted at Source on interest, etc. The intelligence gathering machinery has been strengthened. The various equipments essential for an effective anti-evasion set up such as transport, communication equipments have been augmented. Further, Service Tax has been imposed on nine new services, excise duties have been imposed on branded articles of jewellery, road tractors, etc.

(d) & (e): In so far as Direct Taxes are concerned, computerization is being used to identify stop filers. In addition Tax Information Network (TIN) has enabled electronic filing of TDS returns which has been made mandatory for corporate and Government deductors. The data received through these e-TDS returns is being used for identification of non-filers of TDS returns and for matching tax deducted at source and tax deposited in the Government account. In so far as Indirect Taxes are concerned, information is being collected and will be laid on the Table of the House.