

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4607
ANSWERED ON:23.12.2005
ONE-BY-SIX SCHEME
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FINANCE be pleased to state:

- (a) whether the "one-by-six" scheme introduced earlier for widening the tax base is presently in operation;
- (b) whether the Government has made changes in the above scheme originally introduced earlier;
- (c) if so, the details thereof; and
- (d) the total tax revenue collected / realised under the scheme and the number of assesseees brought under the tax-net under the scheme till March 31, 2005 and the revenue expected during the year?

Answer

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

(a) Yes, Sir;

(b) Yes, Sir;

(c) Originally, any person, inter alia, subscribing to a telephone was required to file a tax return under the One-by-Six Scheme. The Finance Act, 2002 amended the provisions to restrict this requirement of filing the tax return to cellular phone subscribers. Subsequently, the Finance Act, 2005 further amended the provisions relating to the One-by-Six Scheme to provide for mandatory filing of return by any person who has incurred an expenditure of fifty thousand rupees or more towards consumption of electricity during a year. However, the Finance Act, 2005 also amended the Scheme to provide that filing of tax return would not be mandatory for cellular phone subscribers.

(d) The One-by-Six Scheme has both direct and indirect effect on revenue collection. The direct effect of this Scheme is measured by the tax collected, if any, from persons filing return under this Scheme. Since, the income of such filers is below taxable limit, there is no direct collection of tax from this Scheme. The indirect effect of the Scheme is to induce persons having taxable income to file their returns. No estimate of revenue gain from the indirect effect of the Scheme has so far been made. However, there has been an increase in the direct tax buoyancy after the introduction of the Scheme.

The number of persons who have filed Income-tax returns under this Scheme during the last four financial years is as under:

Financial Year No. of returns filed under "one-by-six" scheme

2001-02	30.59 lakhs
2002-03	4.95 lakhs
2003-04	0.71 lakhs
2004-05	0.61 lakhs