

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2472
ANSWERED ON:08.12.2006
SERVICE TAX COLLECTION
Jagannath Dr. M.

Will the Minister of FINANCE be pleased to state:

- (a) The target fixed for collection of service tax during the current financial year ;
- (b) The steps taken to achieve the target ;
- (c) Whether the Government proposes to put in place a comprehensive legislation instead of amending the Finance Act every year ;
- (d) If so, the details thereof; and
- (e) If not, the reasons therefor ?

Answer

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

- (a) The budget estimate of financial year 2006-07 for service tax collection is Rs. 34,500 crore.
- (b) Number of measures including media publicity to create awareness among tax payers, special survey and processing of information from various sources to identify potential service providers, assisting through help centres, undertaking audit of large assesseees, expediting adjudication of show cause notices, are taken to achieve the targeted collection of service tax.
- (c),(d)and (e): The Constitution (Eighty eighth Amendment) Act, 2003 enables the Parliament to formulate, by law, principles for
 - (i) determining the modalities of levying service tax by the Central Government,
 - (ii) collection of the proceeds by the Centre and the States and
 - (iii) sharing of the proceeds between the Centre and the States. Central Government is in discussion with the Empowered Committee of State Finance Ministers to identify specified services and empower the States to collect and appropriate service tax on these services. In view of the above, at present, a comprehensive legislation in place of Finance Act, 1994 is not under consideration of the Central Government.