

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2567

ANSWERED ON:08.12.2006

INTEREST ON OUTSTANDING IT

Prasad Shri Hari Kewal;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government proposes to charge interest on the outstanding amounts of Income Tax and Excise Duty; and

(b) If so, the details thereof alongwith the proposed rate of interest ?

Answer

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

(a) & (b) : So far as income-tax is concerned, Section 220 of the Income Tax Act, 1961 provides for charging of interest if any demand of income-tax is not paid within the stipulated time. The rate of interest chargeable in this regard is one per cent for every month or part of the month comprised in the period of delay.

As far as charging of interest on the outstanding amounts of Excise Duty is concerned, Section 11AB of Central Excise Act, 1944, provides for charging interest on outstanding amount of central excise duty at the rate fixed by the Government. Presently, the interest rate has been fixed at 13% per annum by the Government.