

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1801

ANSWERED ON:24.08.2007

REVENUE FROM STATES

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Will the Minister of FINANCE be pleased to state:

- (a) the commissionerate-wise/State-wise details of direct and indirect revenue collection during the last three years;
- (b) the share of the States in the revenue so collected during the said period and disbursed by the Union Government to States;
- (c) whether collection during the said period has surpassed the estimate;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor; and
- (f) the steps taken by the Government to improve revenue collection in future?

Answer

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

(a): As far as direct taxes are concerned the details of revenue collection during the last three years are as given in Annexure-I. The details of indirect taxes relating to Customs, Excise & Service Tax are provided in Annexures II, III & IV respectively.

(b): Statement showing the releases of States' Share of Union Taxes and Duties during last three years 2004-05 to 2006-07 is as at Annexure-V.

(c) to (e):The details of estimates of revenue collection in relation to both direct and indirect taxes are given in Annexure-VI. It would be seen that as far as direct taxes are concerned, there is slight shortfall in the years 2004-05 & 2005-06. In so far as indirect taxes are concerned, the estimate could not be achieved during 2004-05 because of shortfall in excise revenue collection.

Actual collection of revenue vis-à-vis the estimates/targets depends upon various factors. It is not always feasible to identify any specific reasons for shortfall in the collection of revenue. The estimates are based upon certain parameters which, if not achieved in the economy, may result in not achieving the estimates.

(f): A number of steps have been taken by the Government to realize greater revenue. These include rationalization of tariff structure, review and withdrawal of tax exemptions wherever necessary, plugging leakage of revenue through anti-smuggling and anti-evasion measures, monitoring and disseminating international prices of imported commodities, simplification of tax collection procedures to improve tax compliance. Detailed instructions have been issued to field formation to monitor advance tax payment of top tax payers. The TDS administration has also been strengthened to maximize revenue collection.