

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:357

ANSWERED ON:15.12.2006

RECOVERY OF TAXES

Mahato Shri Sunil Kumar;Yadav Shri Giridhari

Will the Minister of FINANCE be pleased to state:

- (a) the break up of both direct and indirect taxes outstanding during each of the last three years;
- (b) the steps taken by the Union Government to recover outstanding amount of direct and indirect taxes; and
- (c) the success achieved in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. 357 TO BE ANSWERED ON 15-12-2006

(a): The break up of both direct and indirect taxes outstanding during each of the last three years is as under:

	Rs. In crores	
Financial year	Direct Taxes	Indirect Taxes
2003-04	87,885	15,516.69
2004-05	98,614	15,659.09
2005-06	1,17,083	21,593.43

(b): Recovery of arrears is an on going process. The Government has taken a number of steps to recover the outstanding amount which include constitution of Task Forces to develop and implement multi-pronged strategy for effecting substantial recovery from arrears of direct and indirect taxes.

As far as direct taxes are concerned, apart from the statutory steps being taken for recovery of outstanding tax dues as prescribed under the Income Tax Act (including attachment of bank accounts/debtors, attachment and sale of immovable property, etc.), the other special measures taken to expedite recovery of direct tax arrears include identification of cases involving substantial amount of arrears pending before Commissioners (Appeals) and ITAT and requesting these authorities to dispose of such appeals early so that the demand can be collected during the current financial year itself; requesting the President of ITAT not to allow stay of demand beyond 180 days as prescribed in section 254(2A) of the Income-tax Act, requesting Settlement Commission to dispose of high-demand cases expeditiously, etc.

So far as indirect taxes are concerned, the strategy devised for expeditious collection of arrears is as under:

- (a) Regular review of progress made in arrears recovery at the level of Commissioners /Chief Commissioners;
- (b) moving applications for vacation of stay orders in important cases;
- (c) filing early hearing applications in Courts/ CESTAT;
- (d) targeting defaulters with coercive action;
- (e) persuading major units to pay outstanding arrears;
- (f) follow-up action in cases pending in BiFR/DRT/OL/COD;
- (g) quick realisation of arrears involved in favourable orders of CESTAT/ Courts; and
- (h) posting of defaulters list on the CBEC website.

(c): The amount of arrears recovered are as under:

	Rs. In crores	
Financial year	Direct Taxes	Indirect Taxes

2003-04	5,540	668.36
2004-05	7,084	2642.87
2005-06	8,064	3139.65
2006-07	7,767	1633.01

(upto
October,06)