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Title: The Minister of Finance laid a statement regarding status of implementation of the recommendations contained in the 41st, 42nd, 46th and 52nd Reports of the Standing Committee on Finance, pertaining to the Department of Revenue, Ministry of Finance.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Sir, I beg to lay a

statement on the status of implementation of recommendations contained in Forty-first, Forty-second, Forty-sixth and Fifty-second Reports, relating to Department of Revenue, of Standing Committee on Finance (14th Lok Sabha) in pursuance of Direction 73-A of Hon'ble Speaker, Lok Sabha vide Lok Sabha Bulletin, Pt.II dated 1st September, 2004.

The Standing Committee on Finance presented both 41st and 42nd Reports to Lok Sabha on 28.11.2006, 46th Report on 14.12.2006 and 52nd Report on 28.4.2007. In the 41st Report, the Committee deliberated on introduction of new Income Tax Return Form and made ten recommendations where action was called for on the part of the government. All the ten recommendations were accepted by the government. The action taken reports on the recommendations were furnished to the Committee on 13th July, 2007.

In the 42nd Report, the Committee deliberated on the action taken by the government on the recommendations contained in the Committee's earlier report viz. Thirty-third report on widening of tax base and evasion of tax, and made eight recommendation, in all, where action was called for on the part of the government. All the recommendations were accepted by the government and the action taken reports thereon were furnished to the Committee on 19th April, 2007.

In the 46th Report, the Committee deliberated on matters like fraudulent issue of refunds in connivance with IT officials; non-issue of refunds within stipulated time; bogus refund claims under the charge of CIT, Meerut, action taken

* Laid on the Table and also placed in Library, See No. LT 7547/2007

against the errant IT officials involved; misuse of IT exemption by research institutions; and computerization of IT offices. The Committee made 9 recommendations, in all, out of which the government has accepted eight recommendations and partially accepted one recommendation. The action taken reports on the recommendations were furnished to the Committee on 05th November, 2007.

In the 52nd Report, the Committee deliberated on subjects including direct and indirect tax area-based exemptions, the views of NIPFP and Planning Commission on tax exemption, Double Taxation Avoidance Agreements, Goods and Services Tax, Benefits to Special Economic Zones, Revenue Collections, Recovery of Tax Arrears, Budget Estimates 2007-08 vis-a-vis Revised Estimates of 2006-07, Computerization of Income Tax offices etc. In all, the Committee made 27 recommendations; most of them were accepted by the government and wherever a recommendation involves action to be taken during the next Budget exercise, it has been indicated in the Implementation Statement that it will be examined at the appropriate time. The action taken reports on the recommendations contained in the 52nd Report were furnished to the Committee on 11th September, 2007.

The Action Taken Statements on the recommendations contained in all the aforesaid four reports of the Standing Committee on Finance are given in the annexure 'A' to 'D'.

I would not like to take valuable time of the House to read out the contents of the Annexures, and, therefore, request that these may be taken as read.
