



सत्यमेव जयते

RANI SINGH NAIR
Chairperson, CBDT &
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GOVERNMENT OF INDIA
(वित्त-मंत्रालय)/राजस्व विभाग
Ministry of Finance / Department of Revenue
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Dear Principal Chief Commissioner,

Sub: Budget Collection: Need to monitor Corporate Tax more closely and to improve both arrear and current demand collections.

The budget collection figures as on 30th September, 2016, show growth in net collection of direct taxes of just 8.95% as against the targeted growth of 14.1% for the current fiscal year. This gap of about 5% between the current growth rate and the targeted growth rate for the year has resulted in an asking growth rate for the next 6 months to the tune of almost 19% which will have to be reached in order to achieve the revenue targets.

2. Performance in area of Personal Income Tax (PIT) is showing growth of 19.59% up to the second quarter as against the asking rate of 22.93% indicating a shortfall of Rs.3871 Crore. The Advance Tax Collection of PIT shows a figure of Rs.1,38,360 Crore as against the collection of Rs.1,15,699 Crore up to second quarter of last financial year . The PIT collections are partly due to advancing of one instalment of Advance Tax and the TDS collections on account of 7th Pay Commission.

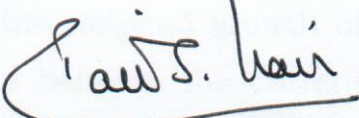
3. The Advance Tax collection figures of Corporation Tax up to the second quarter of the current financial year show collection of Rs.1,85,375 Crore as compared to Rs.1,80,746 Crore collected up to second quarter during the F.Y. 2015-16. This indicates a growth of 2.56 % only as against the asking rate of 8.62%, indicating a shortfall of Rs.10,954 Crore in the area of Corporation Tax.

4. From the comparative report of net Corporation Tax collections region-wise, it is seen that some of the PCCIT regions have shown growth rates much higher than the asking rate whereas some others have shown a negative growth or a growth rate much below the asking rate. Economic realities in the country being more or less the same in various regions, such vast oscillations are not justified.

5. We still have about five months to go in the current fiscal year. I would expect each PCCIT to personally monitor budget collection. Effective strategies and administrative measures for achieving a healthy growth rate in net collection of direct taxes may be devised. The Zonal Members may be apprised within a fortnight regarding the strategies being deployed in this sphere.

With best wishes,

Yours sincerely,


(Rani Singh Nair)

All Principal Chief Commissioners of Income Tax