

86% of Indian businesses want more tax guidance: Thornton report

Around 86 per cent of Indian businesses want more tax guidance from tax authorities on the issue of acceptable and unacceptable tax planning, even if it means paying more, says a study.

According to Grant Thornton International Business Report (IBR), 86 per cent of Indian businesses welcome the idea of having more guidance from tax authorities even if this provided less opportunity to reduce tax liabilities.

As per the quarterly survey of more than 3,000 businesses in 44 countries, around 68 per cent of businesses globally would welcome more global cooperation and guidance from tax authorities.

"Reducing liabilities across borders can offer significant tax savings so it is interesting to see how open business leaders are to improving guidance and global

cooperation," Walker Chandiok & Co Partner and Practice Leader Pallavi Bakhru said.

In India, recent high-profile cases involving Vodafone, Shell, Nokia, LG Electronics have certainly sharpened public opinion as to what is acceptable tax planning. It seems the majority of business leaders would also welcome more certainty on tax positions, Bakhru said.

In India, 54 per cent said their local tax laws and policies were geared to stimulate economic growth, close behind China (59 per cent), while the global average is 31 per cent.

Interestingly, nearly half of the respondents (49 per cent) of business leaders believe their current tax regime does not bring enough economic participants into the tax base.

"However, that businesses feel taxes are too regressive and that not enough people and entities are being taxed is perhaps more surprising. It suggests that business leaders would be supportive of changes to the global tax system that would level the playing field," Bakhru said.

(Financial Express)