

Excise dept eyes higher luxury tax collection in Delhi

With an eye to boosting its luxury tax collection, the excise department has sought the help of Delhi Police and the tourism and trade and taxes departments for maintaining intelligence records of the city's hotels, banquet halls, spas and gyms.

According to the excise department, which is also in charge of collecting luxury tax in the national capital, they will clamp down heavily on entities who are found to have evaded luxury tax following a study of their financial records.

"We have requested Delhi Police, the tourism department and the department of trade and taxes to help us keep intelligence records of Delhi's hotels, gyms, spas and banquet halls.

"We have requested police to give details of such entities registered with them as come under the ambit of luxury tax so that we may first get the exact data," said a senior official of the department.

The official said that hotels which charge a room rent of Rs 750 or more per day come under the purview of luxury tax.

"The department of trade and taxes has also been asked to provide financial details of hotels and other such entities to see if they are liable to pay luxury tax. Entities which are found to be evading luxury will be dealt with strictly," he added.

Similarly, the excise department has also sought the tourism department's help regarding details of all hotels registered with it with a view to tracking their earnings.

There are presently around 1,143 hotels of all categories registered with the excise department which fall within the luxury tax bracket.

"This is the first time that we are taking such a step to increase our luxury tax collection," the official added.

(Business Today)