

## **FinBill keeps provision of arrests for tax evasion**

Failure to pay excise duty and service tax could lead to arrest of defaulters, going by the provisions under the Finance Bill 2013, introduced by Finance Minister P Chidambaram in the Lok Sabha.

Offences relating to excise and customs duty evasion of over Rs 50 lakh would be made cognisable and non-bailable, stresses the provisions.

The failure to deposit service tax exceeding Rs 50 lakh would result in imprisonment up to seven years.

The Bill has proposed to introduce Section 91 to provide for power to arrest a person for specified offences, particularly non-payment of collected service tax, by an officer not below the rank of Superintendent of Central Excise. It has also proposed to make at least four offences non-bailable under Section 135 of the Customs Act.

This would include import or export of any goods which have not been declared in accordance with the provisions of this Act and the market price of which exceeds Rs 1 crore.

Also, if a person fraudulently attempts to avail of drawback or any exemption from duty provided under Customs Act, if the amount of drawback or exemption from duty exceeds Rs 50 lakh, it would be non-bailable offence.

The move comes against the backdrop of lower than budgeted collections of excise and customs duties. As per the Budget papers, the Customs collection during 2012-13 is estimated at Rs 1.65 lakh crore, as against the target of Rs 1.87 lakh crore. In case of excise duty the realisation is likely to be Rs 1.72 lakh crore, compared to the target of Rs 1.94 lakh crore. However, on the positive side, the Service Tax collection is estimated to be Rs 1.33 lakh crore, as against the budget estimate of Rs 1.24 lakh crore.

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