

Finmin ups direct tax target by 53k cr

The finance ministry has revised the Budget estimate of direct tax collection upwards by Rs 53,000 crore to Rs 5.85 lakh crore. The higher target is an increase of 31% over last year's collection of Rs 4.46 lakh crore. The increase is intended to bridge the shortfall that might occur due to reduction in customs duty on crude oil to offset price rise. But it has invited strong reaction from Income Tax officials, who are grappling with staff shortage.

The Central Board of Direct Taxes has written to the Department of Personnel and Training for raising preliminary objections to the finance ministry's request for 18,000 additional posts for the tax department. CBDT has created several new investigative departments, including a Directorate of Criminal Investigation with the mandate of inducting a marine and armed unit, in the last two years to tackle white-collar crimes and deal with tax evaders even on foreign shores.

The request to enhance the manpower was personally vetted by finance minister [Pranab Mukherjee](#) and the file was moved to DoPT for final approval. However, DoPT, according to sources, has been sitting on the file for over a year now.

Tax mop-up in the first half of the current fiscal has not been too encouraging though. The growth in net direct tax collection in the April-September period was only 7% or Rs 1.94 lakh crore. But the overall gross collection rose by 23% to Rs 2.57 lakh crore. The collection was 36% of the budget estimates of Rs 5.32 lakh crore for 2011-12.

However, senior CBDT officials claim the revised budget estimates may be met but the government will have to move fast on increasing the strength of the department. There are 1,200 posts of additional commissioners, considered the backbone of tax collection, of which there are at least 600 vacancies.

Meanwhile, the government is hopeful of achieving 8% GDP growth and also meeting its revenue target. Prime Minister [Manmohan Singh](#), addressing the combined commanders conference here on Tuesday, said that the fundamentals of the economy remained strong. "Despite the global slowdown, we will still achieve growth rate close to 8% this year," he said.

A senior revenue department official said meeting revised direct tax target was within reach as already the growth in gross collection was 23% in the first six months. Due to high refunds in the first half, to the tune of Rs 62,230 crore, the net collection figure was low, he added.