

Government keen to resolve tax disputes between I-T, foreign companies

Government is keen to install a suitable mechanism for resolution of tax disputes between the I-T department and foreign firms operating in the country.

Minister of State for Finance Jesudasu Seelam said this while inaugurating a training programme for officials of the 'International Taxation' unit of the Income Tax department here.

"Government of India is keen to provide a suitable mechanism for resolution of tax disputes between the tax department and foreign companies operating in India," Seelam was quoted as saying in a statement issued by the Ministry.

He said government had inserted provisions relating to Advance Rulings vide the Finance Act, 1993 and in order to bring in certainty and transparency in Transfer Pricing mechanism, scheme of Advance Pricing Agreement (APA) under Transfer Pricing Regulations, has been introduced in the Union budget of 2012-13.

According to official data, tax collection under the international taxation department of the I-T has grown from Rs 11,790 crore in 2007-08 financial year to Rs 28,030 crore in 2012-13, which is an annual increase of more than 27 per cent.

Similarly, adjustments made by transfer pricing officers have increased from Rs 3,432 crore in 2007-08 fiscal to Rs 70,016 crore in 2012-13.

The inauguration of the training programme, to enable I-T officers to effectively administer the provisions of the tax act and treaties, was attended by CBDT chairperson Sudha Sharma and chief of the international taxation unit N C Joshi.

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