

Govt eyes Rs.15k -cr domestic black money by sept 30

With almost two months left for people to declare undisclosed income, the revenue department in an internal assessment has pegged a collection of Rs.10,000-15,000 crore through black money declarations, according to sources.

The budget for 2016- 17 announced a four-month compliance window, allowing domestic black money holders to declare their unaccounted wealth, pay a tax and penalty total ling 45% and escape prosecution and harsher punishment.

The window under the Income Declaration Scheme (IDS) 2016 opened on June 1 and will close on September 30.

Tax and penalty at a total rate of 45% on the declared income is to be paid by November.

Though response to the ongoing income declaration scheme is lukewarm as of now, the flood of queries about the disclosure has given the government confidence that the collection may be sizeable, sources said.

Finance minister Arun Jaitley has recently asked his officers to address all the taxpayer concerns to encourage disclosure of black money, sources said. If Rs.10,000-15,000 crore is collected, it would be one of the highest disclosure of black money. Last year, the government had given a similar opportunity to declare black money parked abroad. Around Rs.4,000 crore of undisclosed wealth was declared — way below expectations.

But field officers have their doubts. They said the maximum amount of domestic black money is parked in real estate, ranging from both low-value to high-value transactions, which are hard to trace. It is also tough to convince people to disclose the illicit part of their real estate transactions.

At present, it is a wait-and-watch situation as to whether the government is able to achieve its target or not, and how close are they towards Prime Minister Narendra Modi's promise to transfer Rs.15 lakh into every Indian bank account, if the black money is unearthed.

(Hindustan Times)