

## **P. Chidambaram threatens tax evaders, says crackdown looming**

In a strong message to tax evaders, the government today said that it will step up efforts to bring more people into net and also endeavour to recover tax arrears.

"Between January and March...we issued notices after mining the data and thanks to the advertising campaign, I have added 50 lakh more taxpayers into the tax net over three-month period. We would like to do the same thing in 2013-14 and we will add many more (into the tax net)", Finance Minister P. Chidambaram said.

He said this while replying to a brief discussion on the Budget after which the Upper House returned the Finance Bill and other bills completing the budgetary exercise for General as well as Railways Budgets.

Chidambaram assured the members that government would address human resources, technology and time to improve tax collection and deal with the menace of tax evasion.

Noting that the revenue department was working under several limitations, the Minister said, it must "adopt technology (and)...non-invasive ways of collecting taxes and I am sure that (these efforts) will produce better results in 2013-14."

He said that recently a Group of Ministers (GoM) has been constituted to address the human resources issues in the tax department and undertake restructuring of the cadre of the Central Board of Direct Taxes (CBDT).

On efforts to recover tax arrears, he admitted that much more was needed to be done to deal with the issue and raise revenue.

"There are tax payers, tax evaders and those who help the tax evaders. It is a shame that only 42,800 people in this country admit to having more than Rs 1 crore income", he said, adding "I will encourage them to recover more tax arrears."

During his reply, Chidambaram appealed for a bipartisan and apolitical approach to deal with economic matters confronting the nation, especially fiscal deficit, current account deficit and capital flows.

"...we have political differences. But can we not agree that economy of the country is beyond political difference.

Can't we take a bipartisan approach? All of us want India to grow at a rapid pace so that we can lift many more millions out of poverty", the Minister said.

As in the Lok Sabha earlier in this week, the Upper House also approved the General and Railway budgets after a walkout by the Opposition parties.

Elaborating on delay in liquidation of tax arrears, Chidambaram said "tax matter, like any other matter in this country, travels through three or four levels of adjudication and takes many many years.

"There are some tax arrears that are purely notional. For example, in the Harshad Mehta case, there are tax arrears running into lakhs of crores...", he added.

He said the amount of tax arrears recovered by the revenue department have increased significantly during the last three years, mainly on account of the efforts undertaken by the officers.

"I agree more efforts need to be made to recover more taxes arrears, but I compliment the department for working," he said.

Referring to the demand for special assistance to poorer states, Chidambaram said the Centre was not making any discrimination and significant amount of money was allocated for development of Bihar and KBK districts of Odisha.

Responding to criticism that the Centre had not done enough for farmers, he said, the UPA government had provided better prices for agriculture produce to farmers.

"Between 1999 and 2004, the annual increase in MSP was about Rs 10 a year. In the years of UPA government, we have more than doubled the MSP (for wheat and paddy). Please look at those numbers before pointing a finger and saying (the government) is not paying remunerative prices", he added.

*(The Financial Express)*