

Taxmen to bank on high profit segments to meet target

Faced with an increased and "difficult" direct taxes target of Rs 5.85 lakh crore this fiscal, the taxmen will focus on high profit-making segments of the economy, a top official said today.

"These are difficult targets to achieve...We will check sections of the economy where profits are high, will compare returns (with) what they are paying in advance taxes," Chairman of the Central Board of Direct Taxes (CBDT) M C Joshi said on the sidelines of an ASSOCHAM function here. But he did not elaborate as to which all sections will come under the increased vigilance.

Joshi said though the target of Rs 5.85 lakh crore is "difficult" in the backdrop of "not very good economic environment", the authorities would put in place measures in the next few months raise collections.

The CBDT has revised the target upward by 10%(Rs 53,000 crore) for the current fiscal to keep the fiscal deficit at the budgeted level of 4.6%of the Gross Domestic Product.

Personal income tax and the corporate tax are the two main sources of the direct tax collections which contribute bulk of the total government revenue.

Country's industrial output has remained subdued during July and August leading to fears that it would have impact on the GDP numbers in the second quarter.

However, Joshi said "We are confident as we move towards next instalment (of advance tax). We will get significant amount of tax".

The overall advance tax collections which increased by 12%in the September quarter were below the target of 19%growth.

He said the gross direct tax collections are not "bad", which rose by 23%to Rs 2,57,042 crore in the first six months of 2011-12.

Addressing the function, Joshi said India was playing a major role in the global crusade against black money and has completed negotiations for new tax information exchange agreements (TIEAs) with 16 countries and sovereign jurisdictions.

(Business Standard)