

Part B

Hon'ble Speaker Sir,

Direct taxes

87. Over the last ten years, the direct tax collections have more than trebled and the return filers swelled to 2.4 times.

I would like to assure the taxpayers that their contributions have been used wisely for the development of the country and welfare of its people. I appreciate the tax payers for their support.

88. The Government has reduced and rationalized tax rates. Under the new tax scheme, there is now no tax liability for tax payers with income up to ₹ 7 lakh, up from ₹ 2.2 lakh in the financial year 2013-14. The threshold for presumptive taxation for retail businesses was increased from ₹ 2 crore to ₹ 3 crore. Similarly, the threshold for professionals eligible for presumptive taxation was increased from ₹ 50 lakh to ₹ 75 Lakh. Also, corporate tax rate was decreased from 30 per cent to 22 per cent for existing domestic companies and to 15 per cent for certain new manufacturing companies.

89. In the last five years, our focus has been to improve tax-payer services. The age-old jurisdiction-based assessment system was transformed with the introduction of Faceless Assessment and Appeal, thereby imparting greater efficiency,

transparency and accountability. Introduction of updated income tax returns, a new Form 26AS and prefilling of tax returns have made filing of tax returns simpler and easier. Average processing time of returns has been reduced from 93 days in the year 2013-14 to a mere ten days this year, thereby making refunds faster.

Indirect Taxes

90. By unifying the highly fragmented indirect tax regime in India, GST has reduced the compliance burden on trade and industry. The industry has acknowledged the benefits of GST. According to a recent survey conducted by a leading consulting firm, 94 per cent of industry leaders view the transition to GST as largely positive. According to 80 per cent of the respondents, it has led to supply chain optimisation, as elimination of tax arbitrage and octroi has resulted in disbanding of check posts at state and city boundaries. At the same time, tax base of GST more than doubled and the average monthly gross GST collection has almost doubled to ₹ 1.66 lakh crore, this year.

States too have benefited. States' SGST revenue, including compensation released to states, in the post-GST period of 2017-18 to 2022-23, has achieved a buoyancy of 1.22. In contrast, the tax buoyancy of State revenues from subsumed taxes in the pre-GST four-year period of 2012-13 to 2015-16 was a mere 0.72. The biggest beneficiaries are the consumers, as

reduction in logistics costs and taxes have brought down prices of most goods and services.

91. We have taken a number of steps in Customs to facilitate international trade. As a result, the import release time declined by 47 per cent to 71 hours at Inland Container Depots, by 28 per cent to 44 hours at air cargo complexes and by 27 per cent to 85 hours at sea ports, over the last four years since 2019, when the National Time Release Studies were first started.

Tax proposals

92. As for tax proposals, in keeping with the convention, I do not propose to make any changes relating to taxation and propose to retain the same tax rates for direct taxes and indirect taxes including import duties. However, certain tax benefits to start-ups and investments made by sovereign wealth or pension funds as also tax exemption on certain income of some IFSC units are expiring on 31.03.2024. To provide continuity in taxation, I propose to extend the date to 31.03.2025.

93. Moreover, in line with our Government's vision to improve ease of living and ease of doing business, I wish to make an announcement to improve tax payer services. There are a large number of petty, non-verified, non-reconciled or disputed direct tax demands, many of them dating as far back as the year 1962, which continue to remain on the books, causing anxiety to honest tax payers and hindering refunds of subsequent years. I propose to withdraw such outstanding direct tax demands up

to twenty-five thousand rupees (₹ 25,000) pertaining to the period up to financial year 2009-10 and up to ten-thousand rupees (₹ 10,000) for financial years 2010-11 to 2014-15. This is expected to benefit about a crore tax-payers.

Economy – Then and Now

94. In 2014 when our Government assumed the reins, the responsibility to mend the economy step by step and to put the governance systems in order was enormous. The need of the hour was to give hope to the people, to attract investments, and to build support for the much-needed reforms. The Government did that successfully following our strong belief of 'nation-first'.

95. The crisis of those years has been overcome, and the economy has been put firmly on a high sustainable growth path with all-round development. It is now appropriate to look at where we were then till 2014 and where we are now, only for the purpose of drawing lessons from the mismanagement of those years. The Government will lay a White Paper on table of the House.

96. The exemplary track record of governance, development and performance, effective delivery, and '*Jan Kalyan*' has given the Government trust, confidence and blessings of the people to realize, whatever it takes, the goal of '*Viksit Bharat*' with good

intentions, true dedication and hard work in the coming years and decades.

97. With this, I commend the interim budget to this august House.

Jai Hind.