

Ours is not a high-tax govt, says Arun Jaitley

Union finance minister Arun Jaitley announced some concessions for the mutual fund (MF) industry and income taxpayers on Friday while pledging that the government would stick to a lowtax regime to promote industrial growth and create more jobs.

In order to provide some relief to taxpayers who are late in filing returns and end up paying hefty penalties calculated on a daily basis, Jaitley said that Central Board of Direct Taxes (CBDT) will be empowered to exercise discretion.

Jaitley said that for late filing of returns there is a provision which has become onerous as a huge penalty and there are no powers of waiver itself leading to an "extremely exorbitant" penalty." So, some discretion is given to the CBDT with regard to that penalty where cases of late filing of returns were involved.

The penalty as such will remain," he explained.

Announcing the concessions in the Lok Sabha, Jaitley said that the high tax rate of 20 per cent on the debt mutual fund will apply from July 10, the date of the presentation of the Budget, and not from April 1, 2014, as proposed earlier.

In this regard, the minister said that he is accepting a suggestion made by Congress leader Jyotiraditya Scindia and some other members as it amounted to levying tax with retrospective effect for about three months.

NOT A HIGH-TAX GOVT	BLACK MONEY	GAAR FEARS
<p>🔴 Ours is not a high-tax government. A high-tax government will not encourage business and industrial activity in India. A high-tax government will never be able to create jobs 🔴</p>	<p>🔴 The French government has given information to India (regarding accounts of Indians in a bank in Switzerland) under an agreement. We are taking action in this regard 🔴</p>	<p>🔴 Moily saheb is right when he says extra aggression sends a wrong signal in the matter of tax collection. I was surprised when I found that Moily saheb himself was a little critical of GAAR 🔴</p>

In order to reduce mounting tax litigation, Jaitley said that he proposed to provide for more benches of advance ruling to deal with transfer pricing disputes.

The changes proposed in the Finance Bill, Jaitley said, will further simplify and smoothen the tax structure.

Referring to the General Anti- Avoidance Rule (GAAR), Jaitley said that he will take a final call on it.

Implementation of GAAR was deferred by two years following widespread concerns by domestic as well as foreign investors.

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