

## **Record 72 amendments proposed in indirect tax clauses this year**

As many as 72 indirect tax clauses are sought to be amended this year, against 43 last year, a closer look at the Finance Bill 2013-14 has revealed.

Before this, in 2005-06, the government had amended 60 clauses and then, like now, P Chidambaram was the finance minister.

On the other hand, amendments made to indirect tax laws by former finance minister Pranab Mukherjee, now President, ranged between 30 and 43 in his last four Budgets.

An analysis of Finance Bills tabled in Parliament in the last 10 years show Chidambaram has always been more aggressive on fine-tuning indirect tax laws compared to his predecessor.

In five out of six occasions, he made more than 50 amendments in clauses pertaining to indirect taxes.

It has also been also revealed that changes in indirect tax laws are probably more than ever before under the UPA-I and UPA-II dispensation.

On the direct tax front, however, only 53 clauses were amended, down from 113 last year, the highest ever in the UPA regime.

The amendments, mainly in areas related to international taxation, had not gone down well with the markets and investors, forcing the government to tone down some of its proposals later. General Anti-Avoidance Rules were first deferred by a year and again by two years in this Budget.

As far as total amendments (in both direct and indirect taxes) are concerned, last year Mukherjee broke Chidambaram's record of amending 134 clauses in 2007-08 by making 156 amendments. A total of 125 clauses were amended in this Finance Bill, which is similar to the number of changes carried out in most Finance Bills in the past.

However, concerns relating to taxation of indirect transfer of Indian assets still remain and Chidambaram has said the government would go to Parliament after resolving the issue with telecom company Vodafone, which got a major blow due to the amendments

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