

Uncollected tax demand increased to Rs 7 lakh cr in FY15

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The Comptroller and Auditor General of India (CAG) on Friday said amount towards uncollected tax demand increased to Rs 7 lakh crore at March 2015 end from Rs 5.75 lakh crore in the previous year.

"The uncollected demand is rising despite clear provisions in the (Income Tax) Act to enforce collection and recovery of outstanding demand viz. attachment and sale of assesses' movable and immovable property, appointment of a receiver for the management of assesses' properties and imprisonment," said the CAG report.

The Compliance Audit Report of the Comptroller and Auditor General of India (CAG) tabled in Parliament said the tax demand has indicated that more than 96 per cent of uncollected demand is "difficult to recover" in 2014-15.

The main reasons that demands have remained uncollected include inadequate assets for recovery, assessee not traceable, cases under liquidation and demand stayed by various authorities.

The report further said voluntarily compliance of corporate and non-corporate assesseees during 2014-15 was 83.2 per cent, down from 84.6 per cent in 2013-14.

The official auditor, the report found that direct taxes increased by 9 per cent in 2014-15 (Rs 57,196 crore) compared to 2013-14.

However, share of direct taxes in gross tax revenue decreased slightly to 55.9 per cent in 2014-15 from 56.1 per cent in the previous financial year.

During 2010-11 to 2014-15 period, the compounded annual growth rate of corporate tax and income tax was 9.5 per cent and 16.7 per cent, respectively.

It further said the Commissioner of Income Tax (Appeal) disposed of only 0.07 million appeals (24.2 per cent) in 2014-15 out of 0.31 million appeals due for disposal and appeals pending increased from 0.23 million in 2013-14 to 0.23 million in 2014-15.

The CAG said Central Board of Direct Taxes did not evolve any mechanism/system for monitoring of high value cases which were pending for a considerable time and were required to be written-off.

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