

TAX REVENUE
CORPORATION TAX

The details of receipts under this head are as shown below:

(a) Ordinary collections	13421.41	13764.61	17261.31
(b) Advance tax collections	21077.06	19761.06	25891.97
(c) Surcharge	4048.04	4880.00	830.00
(d) Miscellaneous receipts	1493.49	315.33	216.72
Total	40040.00	38721.00	44200.00

The collections during 2000-2001 are estimated at Rs. 38721 crore and Rs. 44400 crore in 2001-2002.

TAXES ON INCOME OTHER THAN CORPORATION TAX

The details of receipts under this head are as shown below:

(a) Ordinary collections	19396.26	22112.26	15129.28
(b) Advance tax collections	6396.98	6903.22	22693.92
(c) Surcharge (Union)	4122.49	4448.75	625.00
(d) Miscellaneous receipts	1674.27	1806.77	2151.80
Total	31590.00	35271.00	40600.00

The collections during 2000-2001 are estimated at Rs.35271.00 crore and at Rs. 40600 crore in 2001-2002.

EXPENDITURE TAX

The Expenditure Tax Act, 1987 provides for levy of a tax on expenditure incurred on hotels where the room charges for a unit of residential accommodation are rupees twelve hundred or more per day per individual. With effect from 1st October, 1998 the existing limit of Rs. 1200/- as laid down in sec. 3 of the Act has been raised to Rs. 2000/- or more per day per individual. For expenditure incurred before 1-6-1992, this amount was rupees four hundred or more per day per individual. The rate of expenditure tax was initially kept at 10% of the chargeable expenditure. This was raised to 20% w.e.f 1-6-89. This has again been reduced to 10% by the Finance Act, 1994 w.e.f 1-6-94. By Finance (No. 2) Act 1991 w.e.f. 1-10-1991, expenditure tax was also levied on expenditure incurred in restaurants providing superior facilities of air conditioning or having access to these facilities. This levy was withdrawn by the Finance Act 1992 w.e.f. 1-6-1992. The expenditure tax is not payable in the case of persons enjoying diplomatic privileges. The expenditure incurred in foreign exchange after 1.10.1992 also attracts this tax. The Revised Estimate for 2000-2001 has been placed at Rs. 330 crore and the Budget Estimate for 2001-2002 is placed at Rs. 330 crore.

WEALTH TAX

With a view to stimulating investment in productive assets, the Finance Act, 1992 w.e.f. 1.4.1993 i.e. Assessment Year 1993-94, abolished Wealth Tax on all assets except certain specified assets. The Wealth Tax was abolished on assets such as shares, bank deposits, fixed deposits, bonds, debentures, etc. This was done on the recommendation of the Chelliah Committee which had suggested that in order to encourage the tax payers to invest in productive assets such as shares, securities, bonds, bank deposit etc. and also to promote investments through mutual funds, these financial assets should be exempted from Wealth Tax. It recommended that Wealth Tax should be levied on individuals Hindu Undivided Families and all companies only in respect of unproductive assets such as residential houses, farm houses, urban land, jewellery, bullion, motor car, plane, boats, yacht etc.

In respect of Wealth-tax the Revised Estimate for 2000-2001 has been placed at 145 crore and the Budget Estimates for 2001-2002 is placed at Rs. 145 crore.

CUSTOMS

The net Customs revenue has been estimated at Rs.49781 crore for 2000-2001. The estimate is placed at Rs.54822 crore for 2001-2002. The following is the break-up of the estimates .

	<i>(in crore of Rupees)</i>		
	Budget 2000-2001	Revised 2000-2001	Budget 2001-2002
(i) Import Duties	52756	49066	54005
(a) Basic Duty	27841	27451	31019
(b) Surcharge on Basic Duty	1641	1505	-
(c) Additional Duty of Customs(CVD)	17014	16582	18950
(d) Special Additional Duty of Customs(SAD)	4960	3269	3740
(e) Additional Duty of Customs on Motor Spirit	-	-	-
(f) Additional Duty of Customs on High Speed Diesel Oil	1300	259	296
(ii) Export Duties	1	1	1
(iii) Cesses on Exports	149	141	161
(iv) Other Receipts	666	573	655
Total	53572	49781	54822

Details of the various components of Customs duties are as under :

(i) *Import Duties:-* As against the original estimate of Rs.52756 crore, Revised Estimate for 2000-2001 is placed at Rs.49066 crore. The estimated shortfall in net revenue is mainly on account of lower revenue realisation from refined petroleum oils , machinery and machine tools, instruments, pharmaceutical products, motor vehicles and parts , iron and steel, copper, chemical products, project imports etc.

Anticipated import duty realisation in 2001-2002 shows an increase of Rs.4939 crore as compared to the Revised Estimate of 2000-2001. The increase in revenue is expected on account of buoyancy and anticipated increase in the volume of import.

- i (a) **Basic Duty :** The anticipated revenue realisation from Basic Duty of Customs during 2000-2001 is likely to be around Rs.27451 crore .The Budget Estimate for 2001-2002 is placed at Rs.31019 crore.
- i (b) **Surcharge on Basic Duty:** The anticipated revenue realisation from Surcharge on Imports during 2000-2001 is likely to be around Rs.1505 crore . The Surcharge will lapse on 31st March, 2001. The loss on account of this during 2001-2002 is estimated at Rs. 2000 crore.
- i (c) **Additional Duty of Customs :** The anticipated revenue realisation from Additional Duty of Customs during 2000-2001 is likely to be around Rs.16582 crore .The Budget Estimate for 2001-2002 is placed at Rs.18950 crore.

- i (d) Special Additional Duty of Customs: The anticipated revenue realisation from Special Additional Duty of Customs during 2000-2001 is likely to be around Rs.3269 crore. The Budget Estimate for 2001-2002 is placed at Rs.3740 crore as against the Budget Estimate of Rs.4960 crore in 2000-2001.
- i (e) Additional Duty of Customs on Motor Spirit : Estimate is nil
- i (f) Additional Duty of Customs on High Speed Diesel Oil: The Revised Estimate for 2000-2001 is placed at Rs.259 crore. The Budget Estimate for 2001-2002 is placed at Rs.296 crore.
- (ii) *Export Duties*: - The Revised Estimate of net collection from Export duties in 2000-2001 is placed at Rs.1 crore as against the original estimate of Rs.1 crore. The Budget Estimate for 2001-2002 has been placed at Rs.1 crore.
- (iii) *Cesses on Exports*: - Revised Estimate for 2000-2001 and Budget Estimate for 2001-2002 are placed at Rs.141 crore and Rs.161 crore respectively.
- (iv) *Other Receipts*: - Collections are placed at Rs.573 crore and Rs.655 crore respectively in the Revised Estimate for 2000-2001 and Budget Estimate for 2001-2002.

UNION EXCISE DUTIES

Union Excise Duties and Cesses are levied on commodities covered by the Central Excises Act, 1944 and other Acts. The receipts during 2000-2001 are estimated at Rs.70681 crore, as against the original Budget Estimate of Rs.71252 crore showing a decrease of Rs.571 crore. The receipts in 2001-2002 are expected to be Rs.81720 crore. The following Table summarises the position of excise revenue.

	<i>(in crore of Rupees)</i>		
	Budget 2000-2001	Revised 2000-2001	Budget 2001-2002
1. (a) Basic and Special Excise Duties other than (b), (c) below	57313	56921	65082
(b) Additional Duty of Excise on Motor Spirit	1000	1028	1123
(c) Additional Duty of Excise on High Speed Diesel Oil	4000	4957	5413
Total	62313	62906	71618
2. Additional duties on textiles and textile articles	651	569	623
3. Additional Excise Duties in lieu of sales tax	3697	3177	3957
4. National Calamity Contingent Duty	-	-	1000
5. Earmarked Cesses administered by:-			
(a) Revenue Department	4306	3747	4250
(b) Other Departments	285	282	272
Total	4591	4029	4522
Total (1+2+3+4+5)	71252	70681	81720

As against the original estimate of basic and special excise duties (excluding additional duty of excise on motor spirit and HS diesel oil) of Rs.57313 crore, the Revised Estimate has been placed at Rs.56921 crore. The anticipated decrease of Rs.392 crore is mainly on account of less revenue realisation from high speed diesel oil, motor spirit, glass and glassware, motor vehicles, refrigerators and air conditioners, articles of iron and steel, copper, miscellaneous chemical products, chewing tobacco etc.

The increase of Rs.8161 crore in basic and special excise duties (excluding additional duty of excise on motor spirit and HS diesel oil) in the Budget Estimate for 2001-2002 as compared to the Revised Estimate for 2000-2001 is attributed to the anticipated higher growth and buoyancy. Tax compliance is also expected to increase.

On account of extra levy called National Calamity Contingent Duty imposed on cigarettes, pan masala, biris and other tobacco products, additional revenue to be generated during 2001-2002 is estimated at Rs.1000 crore.

SERVICE TAX

The Revised Estimate for 2000-2001 is placed at Rs.2200 crore. The Budget Estimate for 2001-2002 is Rs.3600 crore. The details are as under :-

	<i>(in crore of Rupees)</i>		
	Budget 2000-2001	Revised 2000-2001	Budget 2001-2002
(I) Telephones	906	981	1271
(ii) Insurance	594	465	602
(iii) Brokerage	109	155	201
(iv) Advertising	114	120	155
(v) Courier	71	74	95
(vi) Radio paging	32	10	13
(vii) Other existing services	374	395	513
(viii) New services	-	-	750
Total	2200	2200	3600

TAXES OF UNION TERRITORIES

The receipts are in respect of Union territories without Legislature. Broad details are:-

	(in crore of Rupees)		
	Budget 2000-2001	Revised 2000-2001	Budget 2001-2002
Land Revenue	1.78	1.80	1.81
Stamps and Registration	20.35	20.44	21.14
State Excise Duties	99.48	102.94	104.19
Sales Tax	178.70	205.00	221.00
Taxes on Vehicles	16.19	19.10	19.90
Taxes on goods and passengers	3.45	3.55	3.75
Taxes and Duties on Electricity	6.75	6.00	6.50
Other Taxes and Duties	2.62	3.14	3.39
Total	329.32	361.97	381.68
Less			
Transfer of Union Territory			
Taxes and Duties to Local Bodies	0.15	0.15	0.16
Net-Taxes of Union Territories	329.17	361.82	381.52

OTHER TAXES AND DUTIES

The details are as follows:-

(i) Foreign Travel Tax	250.00	253.00	261.00
(ii) Inland Air Travel Tax	580.00	577.00	589.00
Total	830.00	830.00	850.00

(i) *Levy of Foreign Travel Tax* was introduced with effect from 15th October, 1971 through the Finance Act, 1971. The scheme presently provides for a levy of tax at the rate of Rs. 500/- for each passenger undertaking an international journey. The rate of the tax is Rs. 150/- for journeys to neighbouring countries. One third percent of the collections made less refunds, is paid to the carriers as collection charges, provision for which is made in the expenditure Budget.

(ii) *Inland Air Travel Tax* was introduced through the Finance Act, 1989. The tax is charged at the rate of 15% of the fare and is payable by all passengers undertaking a domestic journey by air. Journeys on routes in the North - East Region, Andaman & Nicobar Island and Lakshadweep Islands are exempted from the levy of this tax. Other exemptions also exist such as exemption when ticket is paid for in US \$ (dollar). 5% of the collections is paid to the carriers as collection charges. Provision for payment of collection charge is made in the Expenditure Budget.