

TAX REVENUE
CORPORATION TAX

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

| | | | |
|-----------------------------|-----------------|-----------------|-----------------|
| (a) Ordinary collections | 16707.37 | 15077.61 | 18455.71 |
| (b) Advance tax collections | 26237.35 | 23054.42 | 27683.57 |
| (c) Surcharge | 884.00 | 734.00 | 2245.00 |
| (d) Miscellaneous receipts | 371.28 | 192.97 | 231.72 |
| Total | 44200.00 | 39059.00 | 48616.00 |

The collections during 2001-2002 are estimated at Rs. 39059 crore and Rs. 48616 crore in 2002-2003.

TAXES ON INCOME OTHER THAN CORPORATION TAX

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

| | | | |
|-----------------------------|-----------------|-----------------|-----------------|
| (a) Ordinary collections | 28302.05 | 12711.00 | 15223.52 |
| (b) Advance tax collections | 9334.15 | 19374.00 | 22835.28 |
| (c) Surcharge (Union) | 812.00 | 516.00 | 2300.00 |
| (d) Miscellaneous receipts | 2151.80 | 1837.00 | 2165.20 |
| Total | 40600.00 | 34438.00 | 42524.00 |

The collections during 2001-2002 are estimated at Rs.34438 crore and at Rs. 42524 crore in 2002-2003.

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 Section 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 This levy was withdrawn by the Finance Act 1992 w.e.f. 1-6-1992.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 2001-2002 has been placed at Rs. 300 crore and the Budget Estimate for 2002-2003 is placed at Rs. 300 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 2001-2002 has been placed at Rs. 145 crore and the Budget Estimates for 2002-2003 is placed at Rs. 145 crore.

CUSTOMS

The net Customs revenue has been estimated at Rs.43170 crore for 2001-2002. The estimate is placed at Rs.45193 crore for 2002-2003. The following is the break-up of the estimates .

| | (In crore of Rupees) | | |
|--|----------------------|----------------------|---------------------|
| | Budget 2001-2002 | Revised 2001-2002 | Budget 2002-2003 |
| (i) Import Duties | 54005.00 | 42256.00 | 44165.00 |
| (a) Basic Duty | 31019.00 | 24404.45 | 25506.98 |
| (b) Additional Duty of Customs(CVD) | 18950.00 | 14909.07 | 15582.62 |
| (c) Special Additional Duty of Customs(SAD) | 3740.00 | 2942.48 | 3075.40 |
| (d) Additional Duty of Customs on Motor Spirit | ... | ... | ... |
| (e) Additional Duty of Customs on High Speed Diesel Oil | 296.00 | ... | ... |
| (ii) Export Duties | 1.00 | 11.00 | 13.00 |
| (iii) Cesses on Exports | 161.00 | 127.00 | 143.00 |
| (iv) Other Receipts | 655.00 | 776.00 | 872.00 |
| Total | 54822.00 | 43170.00 | 45193.00 |

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

(i) **Import Duties:-** As against the original estimate of Rs.54005 crore, Revised Estimate for 2001-2002 is placed at Rs.42256 crore.

(i) (a) **Basic Duty** :The anticipated revenue realisation from Basic Duty of Customs during 2001-2002 is likely to be around Rs.24404 crore. The Budget Estimate for 2002-2003 is placed at Rs.25507crore.

(i)(b) **Additional Duty of Customs** : The anticipated revenue realisation from Additional Duty of Customs during 2001-2002 is likely to be around Rs.14909 crore.The Budget Estimate for 2002-2003 is placed at Rs.15583 crore.

(i)(c) **Special Additional Duty of Customs**:The anticipated revenue realisation from Special Additional Duty of Customs during 2001-2002 is likely to be around Rs.2942 crore. The Budget Estimate for 2002-2003 is placed at Rs.3075 crore as against the Budget Estimate of Rs.3740 crore in 2001-2002.

(i)(d) **Additional Duty of Customs on Motor Spirit** : Estimate is nil.

(ii) **Export Duties:-** The Revised Estimate of net collection from Export duties in 2001-2002 is placed at Rs.11 crore as against the original estimate of Rs.1 crore. The Budget Estimate for 2002-2003 has been placed at Rs.13 crore.

(iii) **Cesses on Exports:-** Revised Estimate for 2001-2002 and Budget Estimate for 2002-2003 are placed at Rs.127 crore and Rs.143 crore respectively.

(iv) **Other Receipts:-** Collections are placed at Rs.776 crore and Rs.872 crore respectively in the Revised Estimate for 2001-2002 and Budget Estimate for 2002-2003.

UNION EXCISE DUTIES

Union Excise Duties and Cesses are levied on commodities covered by the Central Excise Act, 1944 and other Acts. The receipts during 2001-2002 are estimated at Rs.74520 crore, as against the original Budget Estimate of Rs.81720 crore showing a decrease of Rs.7200 crore. The receipts in 2002-2003 are expected to be Rs.91433 crore. The following Table summarises the position of excise revenue.

| | (In crore of Rupees) | | |
|---|----------------------|----------------------|---------------------|
| | Budget 2001-2002 | Revised 2001-2002 | Budget 2002-2003 |
| 1. (a) Basic and Special Excise Duties other than (b), (c) below | 65082.00 | 60082.80 | 67121.65 |
| (b) Re 1 cess on Motor Spirit | 1123.00 | 988.00 | 1044.00 |
| (c) Re 1 cess on HSD | 5413.00 | 4480.00 | 4445.00 |
| Total | 71618.00 | 65550.80 | 72610.65 |
| 2. Additional duties on textiles and textile articles | 623.00 | 575.15 | 702.49 |
| 3. Additional Excise Duties in lieu of sales tax | 3957.00 | 3653.05 | 4461.86 |
| 4. National Calamity Contingent Duty | 1000.00 | 747.00 | 850.00 |
| 5. Petroleum Goods Surcharge | ... | ... | 6264.00 |
| 6. Earmarked Cesses administered by:- | | | |
| (a) Revenue Department | 4250.00 | 3696.00 | 6252.00 |
| (b) Other Departments | 272.00 | 298.00 | 292.00 |
| Total | 4522.00 | 3994.00 | 6544.00 |
| Total (1+2+3+4+5+6) | 81720.00 | 74520.00 | 91433.00 |

On account of levy called National Calamity Contingent Duty imposed on cigarettes, pan masala, biris and other tobacco products, the Revised Estimate for 2001-02 has been placed at Rs. 747 crore as against original Budget Estimate of Rs. 1000 crore. Budget Estimate for 2002-03 has been placed at Rs. 850 crore. Levy of Petroleum Goods surcharge is expected to generate Rs. 6264 crore in BE 2002-03.

SERVICE TAX

The Revised Estimate for 2001-2002 is placed at Rs.3600 crore. The Budget Estimate for 2002-2003 is Rs.6026 crore. The details are as under :-

| | (In crore of Rupees) | | |
|-------------------------------|----------------------|----------------------|---------------------|
| | Budget 2001-2002 | Revised 2001-2002 | Budget 2002-2003 |
| (i) Telephones | 1271 | 1712 | 2016 |
| (ii) Insurance | 602 | 442 | 520 |
| (iii) Brokerage | 201 | 273 | 321 |
| (iv) Advertising | 155 | 122 | 144 |
| (v) Courier | 95 | 107 | 126 |
| (vi) Radio paging | 13 | 41 | 48 |
| (vii) Other existing services | 513 | 903 | 1501 |
| (viii) New services | 750 | ... | 1350 |
| Total | 3600 | 3600 | 6026 |

TAXES OF UNION TERRITORIES

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

| | | | |
|----------------------------------|---------------|---------------|---------------|
| Land Revenue | 1.81 | 1.47 | 1.69 |
| Stamps and Registration | 21.14 | 22.86 | 24.36 |
| State Excise Duties | 104.19 | 101.62 | 103.12 |
| Sales Tax | 221.00 | 335.00 | 345.55 |
| Taxes on Vehicles | 19.90 | 21.76 | 23.26 |
| Taxes on goods and passengers | 3.75 | 3.95 | 4.20 |
| Taxes and Duties on Electricity | 6.50 | 6.50 | 7.00 |
| Other Taxes and Duties | 3.39 | 3.44 | 3.48 |
| Total | 381.68 | 496.60 | 512.66 |
| Less | | | |
| Transfer of Union Territory | | | |
| Taxes and Duties to Local Bodies | 0.16 | 0.16 | ... |
| Net-Taxes of Union Territories | 381.52 | 496.44 | 512.66 |

OTHER TAXES AND DUTIES

The details are as follows:-

| | <i>(In crore of Rupees)</i> | | |
|----------------------------|-----------------------------|----------------------|---------------------|
| | Budget 2001-2002 | Revised 2001-2002 | Budget 2002-2003 |
| (i) Foreign Travel Tax | 261.00 | 275.00 | 300.00 |
| (ii) Inland Air Travel Tax | 589.00 | 690.00 | 750.00 |
| Total | 850.00 | 965.00 | 1050.00 |

(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 - Eastern 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.