

**TAX REVENUE
CORPORATION TAX**

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

(a) Collections	110940	123500	143574
(b) Surcharge	12762	12968	12157
(c) Education Cess@*	2808	2729	4672
(d) Miscellaneous receipts	6500	7300	7999
Total	133010	146497	168401

TAXES ON INCOME OTHER THAN CORPORATION TAX

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

(a) Collections*	71389	75454	90198
(b) Surcharge*	3741	4616	4727
(c) Education Cess@*	1502	1596	2848
(d) Miscellaneous receipts*	277	294	357
(e) Other taxes [Banking Cash Transaction Tax (BCTT)]	500	550	645
Total	77409	82510	98774

@ BE 2007-08 includes receipts from Secondary and Higher Education Cess.

* includes receipts from Fringe Benefit Tax (FBT) and Securities Transaction Tax (STT).

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. Wealth-tax was abolished on assets such as shares, bank deposits, fixed deposits, bonds, debentures, etc. and is levied only in respect of unproductive assets such as residential houses, farm houses, urban land, jewellery, bullion, motor car, plane, boats, yacht, etc. Wealth-tax is charged at the rate of 1% of the amount by which the net wealth exceeds fifteen lakh rupees.

In respect of Wealth Tax, the Budget Estimates for 2007-2008 is placed at Rs. 315 crore.

Arrear Collection : An amount of Rs.9000 crore as collection of arrears of direct taxes is included in Budget Estimate for 2007-08.

CUSTOMS

Revised Estimate of Customs Duties for 2006-2007 is Rs. 81800 crore as against the Budget Estimate of Rs. 77066 crore.

Budget Estimate for 2007-2008 is Rs. 98770 crore.

The break-up of the estimates is given below :

	Budget 2006-2007	Revised 2006-2007	Budget 2007-2008
<i>(In crore of Rupees)</i>			
(1) Import Duties	76324	81015	94620
(a) Basic Duty	31138	29355	32445
(b) Additional Duty of Customs(CVD)	35193	38035	45925
(c) Special CV Duty	8000	10595	12795
(d) Cess on Motor Spirit	0	145	0
(e) Cess on High Speed Diesel Oil	20	225	0
(f) Surcharge on Motor Spirit	0	435	0
(g) National Calamity Contingent Duty	525	545	605
(h) Education Cess	1448	1586	1900
(i) Secondary and Higher Education Cess	0	94	950
(2) Export Duty	3200
(3) Cesses on Exports	162	95	115
(4) Other Receipts	580	690	835
Total (1+2+3+4)	77066	81800	98770

(i) Basic Duty : Basic Duty of Customs is leviable on imported goods under the Customs Act, 1962. General 'Peak rate' of basic ad-valorem Customs Duty for non-agricultural products is proposed to be reduced from 12.5% to 10% with effect from 01.03.2007.

(ii) Additional Duty of Customs (CVD) : Additional Duty of Customs is leviable under Section 3 of the Customs Tariff Act, 1975 equivalent to duty of Central Excise leviable on such domestically manufactured goods.

(iii) Special CV Duty : Special CV Duty is leviable @ 4% on all imported goods, with few exceptions, to partially compensate the domestic levies.

(iv) Cess on Motor Spirit : Cess on Motor Spirit is leviable by the Finance Act (No.2), 1998.

(v) Cess on High Speed Diesel Oil : Cess on High Speed Diesel Oil is leviable by the Finance Act, 1999.

(vi) Surcharge on Motor Spirit : Surcharge on Motor Spirit is leviable by way of CVD by the Finance Act, 2002.

(vii) National Calamity Contingent Duty : This duty was imposed under section 134 of the Finance Act, 2003 on imported petroleum crude oil. This tax is also leviable on polyester filament yarn, motor cars, imported multi-utility vehicles and two wheelers.

(viii) Education Cess: Education Cess is leviable @ 2% on the aggregate of duties of Customs (except safeguard duty under section 8B and 8C, CVD under section 9 and anti-dumping duty under section 9A of the Customs Tariff Act, 1985). Items attracting Customs Duty at bound rates under international commitments are exempted from this Cess.

(ix) Secondary and Higher Education Cess: In this year's Finance Bill, duty @1% on the aggregate of duties of Customs in addition to 2% Education Cess leviable for universal basic education is proposed.

(x) Export Duty : Export duty was previously leviable on only Raw Leathers. In this year's Finance Bill, it is proposed to extend Export Duty on Ores and concentrates of Iron and Chromium.

(xi) Arrear Collection : An amount of Rs.910 crore and Rs. 700 crore as collection of arrears of Customs Duties is included in RE 2006-07 and BE 2007-08 respectively.

UNION EXCISE DUTIES

Revised Estimate of Union Excise Duties for 2006-2007 is Rs. 117266 crore as against the Budget Estimate of Rs. 119000 crore.

Budget Estimate for 2007-2008 is Rs. 130220 crore.

The break-up of the estimates is given below:

	Budget 2006-2007	Revised 2006-2007	Budget 2007-2008
<i>(In crore of Rupees)</i>			
1. Basic and Special Excise Duties excluding Cess on Motor Spirit and High Speed Diesel Oil	83904	82726	92728
2. Cess on Motor Spirit	2615	2615	2630
3. Cess on High Speed Diesel Oil	9915	9915	10200
Total (1+2+3)	96434	95256	105558
4. National Calamity Contingent Duty	2059	1990	2140
5. Surcharge on Motor Spirit	7845	7845	7890
6. Surcharge on Pan Masala and Tobacco Products	862	765	850

(In crore of Rupees)

	Budget 2006-2007	Revised 2006-2007	Budget 2007-2008
7. Cesses administered by			
(i) Department of Revenue	10767	10375	12605
(a) Education Cess	2313	2275	2507
(b) Secondary and Higher Education Cess	...	135	1253
(c) Others	8454	7965	8845
(ii) By other Departments*	1033	1035	1177
Total Cess (i+ii)	11800	11410	13782
Total (1+2+3+4+5+6+7)	119000	117266	130220

- 1. Basic and Special Excise Duty** : Basic Excise Duty and Special Excise Duty are leviable by the Central Excise Tariff Act, 1985.
- 2. National Calamity Contingent Duty** : NCC Duty was levied on pan masala and certain specified tobacco products vide the Finance Act, 2001. The Finance Act, 2003 extended this levy to,—
 - polyester filament yarn, motor car, two wheeler and multi-utility vehicle @ 1 %; and
 - crude petroleum oil @ Rs. 50 per metric tonne.
- 3. Education Cess**: Education Cess is leviable @2% on the aggregate duties of Excise.
- 4. Secondary and Higher Education Cess** : In this year's Finance Bill, duty @ 1% on the aggregate of duties of Excise in addition to 2% Education Cess leviable for universal basic education is proposed.
- 5. Cess on Motor Spirit** : Cess on Motor Spirit is leviable by the Finance Act (No.2), 1998.
- 6. Cess on High Speed Diesel Oil** : Cess on High Speed Diesel Oil is leviable by the Finance Act, 1999.
- 7. Surcharge on Motor Spirit** : Surcharge on Motor Spirit is leviable by the Finance Act , 2002.
- 8. Surcharge on Pan Masala and Tobacco Products** : An Additional Duty of Excise has been imposed on cigarettes, pan masala and certain specified tobacco products, at specified rates in the Budget 2005-06. Biris are not subjected to this levy.
- 9. Arrear Collection** : An amount of Rs. 1125 crore and Rs. 1150 crore as collection of arrears of Central Excise Duties is included in RE 2006-07 and BE 2007-08 respectively.

* The break-up of cesses administered **by other Departments** is as below:

1. Coal and Coke	416	409	435
2. Salt	4	4	4
3. Rubber	97	97	98
4. Mica	2	2	2
5. Iron Ore, Manganese Ore & Chrome Ore	15	15	19
6. Lime Stone and Dolomite	18	18	20
7. Cine Works	1	1	1
8. Prevention & Control of (Air & Water) Pollution	175	180	180
9. Research and Development	180	180	185
10. Beedi Fund	125	126	230
11. Cess under other accounts	0	3	3
Total	1033	1035	1177

SERVICE TAX

Revised Estimate of Service Tax for 2006-2007 is Rs. 38169 crore as against the Budget Estimate of Rs. 34500 crore.

Budget Estimate for 2007-2008 is Rs.50200 crore.

Education Cess is leviable @2% on the total Service Tax. In this year's Finance Bill, Secondary and Higher Education Cess @ 1% in addition to 2% Education Cess leviable for universal basic education is proposed.

An amount of Rs. 800 crore and Rs. 700 crore as arrears collection of Service Tax is included in RE 2006-07 and BE 2007-08 respectively.

TAXES OF UNION TERRITORIES

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

Land Revenue	1.92	2.13	2.14
Stamps and Registration	44.50	73.25	77.76
State Excise Duties	149.11	166.06	180.50
Sales Tax	655.00	855.02	915.02
Taxes on Vehicles	32.75	220.30	242.30
Taxes on goods and passengers	5.93	6.20	6.0
Taxes and Duties on Electricity	9.00	12.0	13.0
Other Taxes and Duties	4.54	5.71	5.73
Total	902.75	1340.67	1442.45

Arrears of Tax Revenues.

In compliance of Rule 6 of the Fiscal Responsibility & Budget Management Rules, 2004 (FRBM Rules), a disclosure Statement on Tax Revenues raised but not realised in respect of the principal taxes is introduced at Annex 10.

Statement pertaining to Tax Revenues foregone.

A Statement of Tax Expenditure under the Central Tax System was introduced for the first time in Budget 2006-07. Accordingly, this Statement for financial year 2005-06 is at Annex 12.