

FICCI comments on the need of widening the tax net

“Given the development priorities of the nation, it is important that all efforts are made to improve the tax to GDP ratio” – FICCI president Harshavardhan Neotia.

New Delhi, June 18, 2016: Alluding to the recent observations made by the Hon’ble Prime Minister, Shri Narendra Modi, on the need to enhance the tax base, **Mr. Harshavardhan Neotia, President, FICCI said** *“The Prime Minister has clearly highlighted the need to bring within the tax net those individuals and entities that are liable to pay taxes but continue to remain outside of the taxation system. Given the development priorities of the nation, it is important that all efforts are made to improve the tax to GDP ratio. The government needs more resources to effectively deliver the basic services to the economically weaker sections of society as well as invest more in areas like health, education and physical infrastructure. We completely support this call by the Prime Minister and hope that by leveraging technology and other sources of collecting information such as bank and credit card transactions, the revenue department will be able to garner more resources as well as bring more non-filers within the ambit of the tax net.”*

“FICCI has also suggested that as a first step towards widening of the tax base, government may consider making filing of income above a certain threshold mandatory. With time such a repository of information could become a useful tool to analyse the nature and source of income and enable the government to identify instances where there exists a clear case for tax liability”, Mr. Neotia added further.

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