

Will exceed Budget target for direct tax: CBDT chief

₹600 cr TDS comes from online gaming firms, ₹105 cr from crypto assets

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Expressing confidence that the direct tax collection in the current fiscal would exceed the budget estimate of ₹18.23 trillion, Central Board of Direct Taxes (CBDT) Chairman Nitin Gupta on Tuesday listed out some of the key figures from the virtual world. For instance, ₹600 crore has come from the online gaming companies under the new regime that mandated TDS deduction on all winning over ₹100 starting April 1, 2023. Also, ₹105 crore has been collected from crypto assets during the same period as per the 30 per cent TDS regime introduced in FY23.

The government hopes to exceed the budget target of direct tax collection despite a moderation in growth of corporate tax collection seen so far.

The CBDT chief said the rate of growth in corporate collection would not pick up, attributing the slowdown to the concessional corporate tax

STEADY GROWTH

Direct tax mop-up for April-1-Oct 9 period of FY24

Full year target: ₹18.23 trn

►Gross collection: ₹11.07 trn
(17.95% growth Y-o-Y)

►Refunds issued: ₹1.5 trn

►Net collection: ₹9.57 trn
(21.82% growth Y-o-Y)

New tax streams

Collection from virtual sectors in H1FY24

Online gaming

₹600 cr

Virtual digital assets

₹105 cr

Source: CBDT



NITIN GUPTA
CBDT Chairman

regime (introduced in FY20). He said it would continue to grow at a “moderate” rate.

The direct tax mop up has been going well. As of October 9, the net collection (after adjusting refunds) grew 21.8 per cent to ₹9.57 trillion (under the personal income tax, cor-

porate and other taxes head). Refunds of ₹1.5 trillion have been issued during the period.

Looking at the current pace, the department is confident that it will surpass the full-year target, Gupta said.

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Elaborating on corporate tax, the CBDT chief said when companies' tax rates reduce to 22 per cent and 15 per cent as against 30 per cent, it will grow at moderate rate only.

He said that around 60 per cent of corporate profit (income) shifted to new concessional regime last year. That was reflective in the FY23 corporate tax collection also, he explained when asked about why the growth in corporate tax had not picked up on the expected lines under the concessional tax regime.

Introduced in FY20, companies have the option to pay income-tax at the rate of 22 per cent, subject to the condition that they will not avail of any exemption/incentives.

Gross corporate tax receipts have grown 7.3 per cent so far this fiscal, while personal income tax collections have risen 29.5 per cent excluding securities transaction tax (STT) receipts between April 1 and October 9.

Gupta emphasised that steady growth in tax receipts in the current fiscal is on account of multiple factors including the efficient use of technology and sharing information about the taxpayers' transactions in the annual information statement aiding the overall growth and addition in new filers. Around 5.3 million new taxpayers have filed tax returns by July this year.

Notably, the collection is 52.50 per cent of the total budg-

et estimates of direct taxes for the year. BE is 9.75 per cent higher than ₹16.61 trillion mopped up last fiscal.

The CBDT chief also spoke about the department resolving some 140,000 entries under a new demand management facilitation system launched last year. About 3.5 million cases for issuance of refunds are currently held up due to mismatch and validation of the taxpayers' bank accounts, he pointed out.

A total of 72.7 million ITRs were filed, out of which 71.5 million were verified by taxpayers. Of these, the department has processed 68 million ITRs. About 93.5 per cent of duly verified ITRs have been processed till now for the assessment year 2023-24.

Talking about updated returns, Gupta said the department has collected Rs 1,300 crore in additional tax after 1.68 million such returns were filed by taxpayers during the current financial year. Responding to queries on shifting to the new tax regime announced during the last Budget, he said around 60-70 per cent of individual taxpayers would make the transition. The new tax regime aims to end various deductions and claims and offer a flat and lower rate to the taxpayers.

IMF...

"We are monitoring this situation very carefully in terms of the economic impact it can have on the region and beyond. It is too early to assess. This happened after the round of the current projection was closed," said Gourinchas. In its July WEO, the IMF had projected a growth rate of 6.1 per cent for

