

Direct tax mop-up jumps 35.5% to ₹6.48 trn in FY23

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The provisional gross direct tax collections for FY23 till September 8 stood at ₹6.48 trillion, which is 35.5 per cent higher than the same period last year, the Finance Ministry said in a statement on Friday.

“Direct tax collections, net of refunds, stand at ₹5.29 trillion, which is 30.2 per cent higher than the net collections for the corresponding period of last year, the ministry said, adding that this was 37.2 per cent of the net direct tax Budget Estimate for FY23.

The ministry said refunds amounting to ₹1.19 trillion have been issued till September 8 this fiscal year, 65.3 per cent higher than the refunds issued for the same period in FY22.

Net corporate tax and per-



sonal income tax collections, after adjusting for refunds, grew 32.7 per cent and 28.3 per cent refunds, respectively, the statement said.

“As the economy continues to recover from the Covid downturn, the efforts at nudging tax-payers to better compliance through a combination of technology intervention and data report-

ing are paying off, and tax collections continue on their upward trajectory,” said Rohinton Sidhwa, partner, Deloitte India.

Weeks earlier, Central Board of Direct Taxes Chairman Nitin Gupta had told Business Standard that gross direct tax collection as on August 30 stood at ₹4.8 trillion, 33 per cent more than

the ₹3.6 trillion collected in the same period last year.

Gupta said if the trend continued, the direct tax collection for FY23 could exceed the Budget target of ₹14.20 trillion. Of the target, ₹7.2 trillion is expected from corporate tax and ₹7 trillion from taxes on various incomes, including personal income tax and securities transaction tax.

The Centre is counting primarily on healthy direct and indirect tax collection this year to maintain its FY23 fiscal deficit target of 6.4 per cent of GDP at a time when its subsidy and welfare spending commitments have increased due to inflationary pressures and supply-chain disruptions caused by the war in Europe.

Goods and services tax collections in August remained above ₹1.4 trillion for the sixth month in a row.