

Govt expects gross direct tax mopup to go past FY25 target

Actual tax liability falls 40% for those earning ₹10–20 lakh



IN THE KITTY

Gross income of taxpayers (₹)	No. of ITRs filed		% change
	(2013–2014)	(2023–2024)	
0–2.5 lakh	16,502,434	10,132,413	-38.6
2.5–5 lakh	11,827,621	28,626,132	143.03
5–10 lakh	5,511,558	27,936,822	406.88
10–20 lakh	1,532,326	8,883,141	479.72
20–50 lakh	509,745	3,193,747	526.54
50 lakh–1 crore	109,171	589,762	440.22
More than 1 crore	82,836	350,129	322.68
Total	36,075,691	79,712,146	120.96

Source: Official source/ govt source

ASIT RANJAN MISHRA

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Ahead of the presentation of the FY26 Budget in February, government sources said they not only expect to meet the ₹22 trillion gross direct tax collection target for FY25, but also exceed it given the robust trend so far.

“Gross collections have not come down. It is because of higher refunds that net collections have slowed down. The way the economy is doing and the collections are growing, we are hopeful that we will not only meet the target but also exceed it,” the source said.

Data released by the finance ministry up to 10 November of FY25 showed gross direct tax collections grew 21.2 per cent to ₹15.02 trillion, which is higher than the 12.8 per cent growth budgeted for FY25. However, net direct tax collections grew by 15.41 per cent to ₹12.1 trillion due to a jump in refunds by 53.1 per cent during the same time period.

The source said in the latest data, instead of the “personal income tax” nomenclature, “non-corporate tax” nomenclature has been used as the category includes taxes paid by individuals, Hindu Undivided Families, firms, body of individuals, association of persons,

Severe action being taken against harassment of taxpayers: FM

It is not the intention of the government to cause any difficulty for the taxpayer, Finance Minister Nirmala Sitharaman said during a session with the Citizen Council in Mangalore on Wednesday. She assured that the concerned persons are pulled up severely for unintended or intended harassment.

“If there is any harassment, I

appeal to every one of you to let me know. I'll take the responsibility to sort it,” FM said. She said that the government, through faceless assessments and appeals, is trying to take a trust based approach towards the citizens, and a similar idea is also being followed not just in direct tax but in goods and service tax as well. **RUCHIKA CHITRAVANSHI**

local authorities and artificial judicial persons.

“A narrative was being made that only individual taxpayers were driving tax collections, signalling a rising tax burden, which is not true. There is a substantial reduction of tax burden on people earning income less than ₹20 lakh, that is the middle-class group,” the source said.

The official said adjusted to inflation, there is almost a 60 per cent decrease in taxes liability by those earning between ₹10–20 lakh and a 40 per cent decrease in actual taxes liability by those earning between ₹10–20 lakh.

The average income tax paid annually by those earning between ₹15–20 lakh came down from ₹4.1 lakh in FY14 to

1.7 lakh FY24, the source said.

“Due to the strong anti-tax evasion and black money laws, better enforcement which is non-invasive, there has been almost a five times increase in returns being filed by those earning above ₹50 lakh in the last 10 years. About 76 per cent of income-tax collected is from those earning above ₹50 lakh. This has led to reduced tax burden on the middle-class,” the source added.

The number of income-tax return filers has doubled between FY14 and FY24 to 79 crore. Asked on the status of the comprehensive review of the income tax act announced in the budget, the official said: “We are working on that. So far over 6,000 suggestions have been received.”