

Direct tax mop-up rises 21% till Dec 17

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New Delhi, 18 December

Direct tax collections after refunds grew 20.66 per cent to ₹13.7 trillion till December 17 of the current financial year compared to ₹11.36 trillion during the same period of the previous financial year. It was backed by a 20 per cent increase in advance tax revenues.

This reflected economic recovery as well as improved administrative skills of the tax department. With this, direct taxes have yielded a bit over three-fourths of the Budget Estimates (BE) at ₹18.23 trillion for 2023-24. With around three-and-a-half months still remaining for the financial year to end, the projection for direct tax mop up would be easily exceeded.

The Budget has projected 11.57 per cent rise in direct tax collections for 2023-24.

This, together with robust goods and services tax (GST) collections, would provide the government enough ammunition after devolution to the states to rein in the fiscal deficit at the required 5.9 per cent of GDP. This is despite dwindling disinvestment receipts, excise duty collections and higher subsidy bill than budgeted in the current financial year.

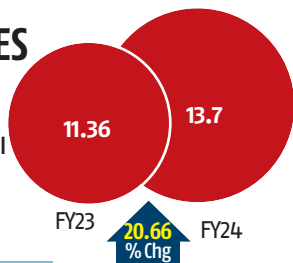
The direct tax receipts included corporation tax revenues at ₹6.95 trillion and personal income tax, including securities transaction tax (STT) at ₹6.73 trillion. Corporation tax kitty constituted 75.30 per cent of the BE at ₹9.23 trillion. And, personal income tax accounted for 74.72 per cent of the BE at over ₹9 trillion for FY24.

Direct tax revenues before refunds stood at ₹15.96 trillion, an increase of 17.01 per cent over the corresponding period of FY23. Refunds amounting to ₹2.25 trillion were issued till December 17 of this year.

Gross direct collection includes corporation tax at ₹7.90 trillion and personal income tax, including STT, at ₹8.02 trillion. This included advance tax collections at ₹6.25 trillion during

BEATING ESTIMATES

Direct tax collections after refund till Dec 17 of each financial year (in ₹ trn)



Direct tax revenue after refund as % of Budget Estimates (BE) till December 17 of financial year (in ₹ trn)

	FY24	BE for FY24	Actual collection as % of BE
Corporation Tax	6.95	9.23	75.3
Personal Income Tax	6.73	9.00	74.72
Total direct tax collection	13.7	18.23	75.15

Source: Central Board of Direct Taxes

the period, which was a rise of 19.94 per cent from ₹5.21 trillion a year ago.

Advance tax collection comprised corporation tax at ₹4.82 trillion and personal income tax at ₹1.43 trillion.

Tax deducted at source (TDS) stood at ₹7.71 trillion — self-assessment at ₹1.49 trillion and regular assessment tax of ₹36,651 crore. Tax under other minor heads was ₹14,455 crore during the period.

The economy grew at a higher-than-expected 7.6 per cent during the second quarter, after a robust 7.8 per cent growth in the first quarter.

After the second quarter data, high frequency indicators showed continued economic recovery. Backed by this, the Monetary Policy Committee (MPC) raised economic growth projections to seven per cent from the earlier 6.5 per cent for 2023-24.