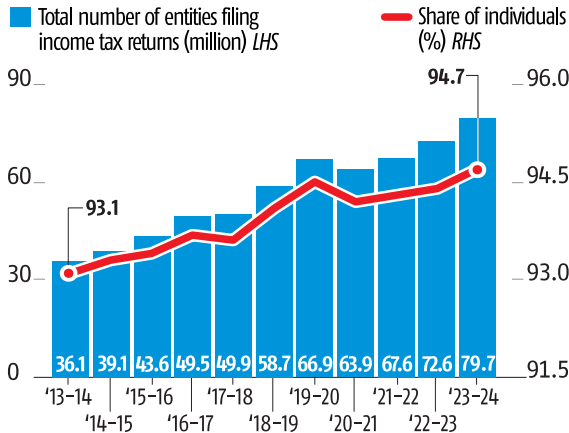


MODI 3.0: THE ROAD AHEAD

TAX CLARITY

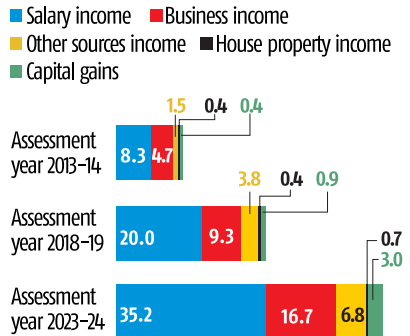
RISE IN FILINGS BY INDIVIDUALS



Note: Total number covers those filing income-tax returns across categories, including individual, company, Hindu Undivided Family (HUF), and others
 Source: CMIE, Income Tax Department

SLOWER SALARY INCOME GROWTH AFTER COVID

Income of individuals by source (₹ trillion)



Source: Income Tax Department, Business Standard calculations

CHALLENGES

- While the number of income-tax returns filed has increased, a number of them report limited income. More than 80 per cent of



them reported income of less than ₹10 lakh

- The largest source of income for individuals is salaries, but it has grown slowest among income categories



TAKEAWAYS

- Announcement of a comprehensive review of the Income-Tax Act, 1961, to be completed in six months. The aim is to reduce disputes and litigation, and provide tax certainty
- Proposal to increase monetary limits for filing appeals over tax disputes