

Double taxpayer base to 100 mn, PM to taxmen

Prime Minister Narendra Modi pitched for nearly doubling of tax base to 10 crore assesses while addressing tax officers in the first ever Rajasva Gyan Sangam that kick-started on Thursday.

Modi outlined a five-point charter for tax administrators – RAPID, which stands for Revenue, Accountability, Probity, Information and Digitisation to reform the taxation system in the country.

MODI'S FOUR COMMANDMENTS FOR TAX DEPARTMENT:

- Increase tax base to 100 million people from 54.3 million now
- Focus on RAPID: Revenue, Accountability, Probity, Information and Digitisation
- Ensure simplification and go for total digitisation
- Turn *Gyan Sangam* into a *Karma Sangam*, so ideas generated here lead to concrete action on the ground

In an hour-long interaction, he urged officers to build a 'bridge of confidence' between tax payers and tax officials, stressing on incorporating a sense of trust in the system so that they pay taxes without fear or harassment.

"While there should be respect for the rule of law among all citizens, and even fear of the long arm of the law for those who evade taxes, people should not fear tax administrators," Modi said in his interaction with tax officers.

Citing the example of the "Give it up" initiative for voluntarily giving up gas subsidy, he said that the tax base too could be increased significantly, provided the tax administrators can demonstrate the leadership to bring about a change.

This is for the first time that the two boards — Central Board of Direct Taxes and Central Board of Excise and Customs — came together for the joint conference. Earlier they held separate conferences with the Finance Minister as the chief guest.

Modi said that tax officials should act like "mentors of taxpayers" and not treat them as "tax evaders".

"People of India are inherently honest. If you build trust then people will pay taxes and you will be able to achieve the target," Modi said.

The conclave will deliberate on a host of issues related to taxpayer services and effective implementation of fiscal laws and government policies with discussions around government's financial inclusion initiatives, ensuring a transparent tax regime for businesses and foreign investors besides issues and challenges being faced by the two tax departments.

Minister of state for finance Jayant Sinha in a briefing after the first session said, "Prime Minister laid out certain goals and objectives for the officials to increase the tax base to 10 crore from 5.43 crore at present."

Sinha said of the 25 crore households in the country, 15 crore are agriculturalists and hence the remaining 10 crore should be under the tax net.

Modi in his speech said 92% of tax department revenue comes from TDS, advance tax and self assessment tax, while the remaining 8% comes after scrutiny.

He said if 42,000 officials of CBDT are engaged for ensuring direct tax revenue, then the tax net should increase further.

Stating that the country is filled with "aspirational people", Modi urged the taxmen to take steps so that people find it easier to pay taxes here.

Prime minister emphasised that people in India mostly pay taxes and the number of people who want to evade it is less.

"People don't have problem in paying tax. So there is no question of tax evasion. The issue is how much cooperative are we in dealing with people. He said you should behave like mentors with the people rather than evader... If you become taxpayer friendly, then taxes will automatically come to you," Modi said.

During the brainstorming session, he pressed officers to move towards digitisation besides making tax administration better and efficient.

The two-day Gyan Sangam is being attended by close to 250 officers of the rank of Principal Chief Commissioners, Chief Commissioners and Principal Commissioners from CBDT and 170 from the CBEC.

During the interaction, Modi said if someone Googles 'how to pay taxes in India', there will be seven crore results. If the question of 'how not to pay taxes in India' is put to Google, there would be 12 crore feeds.

The tax officials in their interaction with the prime minister gave a host of suggestions, which included to setting up of National Tax Facilitation Act to regulate basic norms of tax collection.

Ideas and views were expressed on diverse subjects such as digitization, voluntary tax compliance, facilitation for taxpayers, increasing the tax base, upgradation of digital and physical infrastructure for tax administrators etc.

Modi urged officers to turn the Gyan Sangam into a Karma Sangam, so that the ideas generated from this conference lead to concrete action on the ground.

As many as 15 officers from the CBDT and CBEC posed their questions to Prime Minister on various issues being faced by them in their regular work.

The issues included dilemma over whether officials should act as law enforcement agency or taxpayer friendly agency while collecting due taxes from people.

They also raised the issue of voluntary tax compliance, increasing tax base, upgradation of digital and physical infrastructure for tax administrators.

(Business Standard)