

Accelerating Progress
through a
Constitutional Roadmap

for
Justice and Development
From a Tax Perspective

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What is Progress

- It is something more than Development
- Progress is the outcome of Development
- Development over sustained periods of time results in Progress
- Government has a Fundamental Role
 - Moreso in Developing Countries
 - Direct Development
 - Assistance in Development

Constitutional Road Map

- Role Of the Government
 - For Direct Development
 - Requirement of Resources
 - Constitution empowers the Centre to levy taxes on income [Article 265](#)
 - But a legislation is required – Hence the Income-Tax Act
 - It is Dynamic and provisions are amended and updated through each Finance Bill

Article 265 of the Constitution

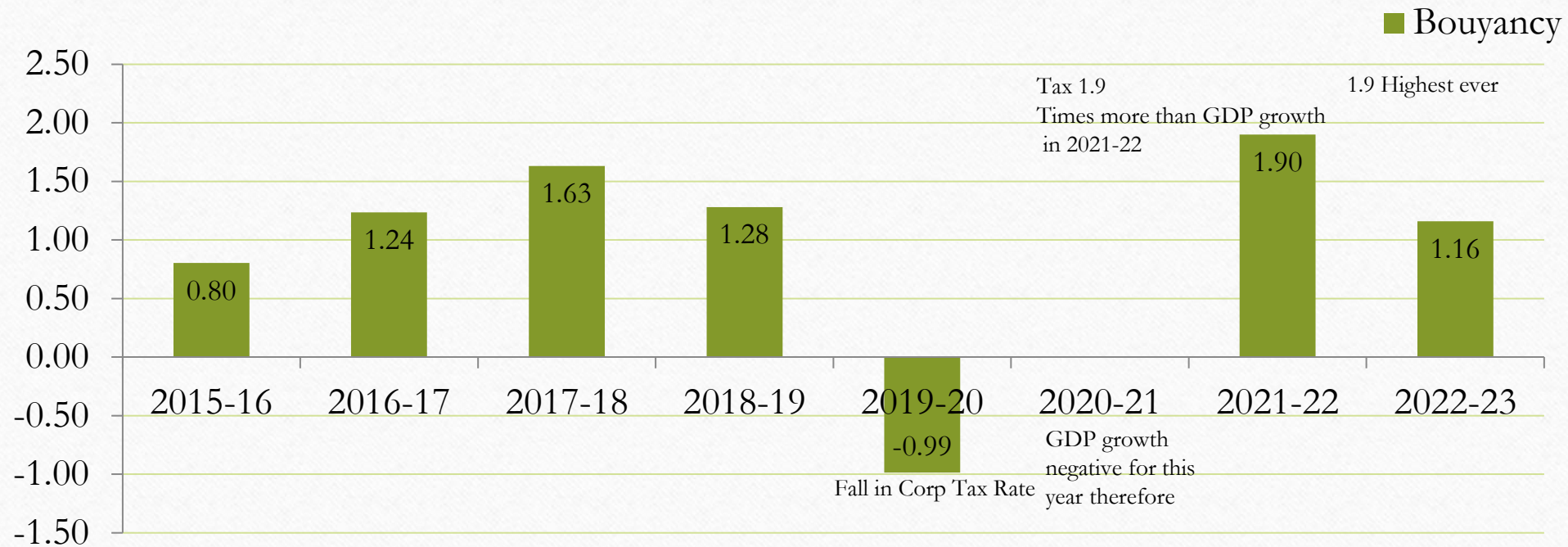
- Article 265 of the Indian constitution deals with the taxes not to be imposed save by authority of law.

It means that no tax shall be levied or collected except by the authority of law. Hence the Taxing Statutes

Development Through Resources

- The Revenue Receipts – Direct and Indirect taxes
 - These have seen a consistent Growth in the last decade
 - Have aided and assisted development
 - Resulted in expenditure on Infrastructure
 - Which is better roads ,better amenities-water, electricity, food
 - Better Quality of Life -----
 - That is Progress

Proof of the Pudding – Tax Gr vs GDP Gr



The ratio of direct tax growth to GDP growth has been close to 1 for most years in the last 15 years

How Tax Law has Assisted Development

The second Part is Assisted Development

- Tax Law here is critical
 - Sector based incentives
 - Area Based Incentives
 - Investment linked incentives
 - Charitable Purposes

Lowering of Taxes- Ease of Business

- Promoting Competiveness - Globally
- Freeing up Money in the Consumers hands
- Ease of Compliance
- Tax Certainty
- Non intrusive voluntary Compliance
 - All lead to better revenues and aid Development

Justice read as Natural Justice

- Tax Certainty
- Trusting the Tax payer
- Minimal Audit or investigations
- And Changing processes
 - Sharing of Information
 - Opportunity of hearing
 - Concept of reasonable cause in penal provisions

How Enshrined in the Act

- Procedures Codified
- Adequate Appellate Forums
- Alternate Dispute Resolutions available
- Waivers and Compounding available

All to promote natural justice in a fair manner

Goal of Any tax Policy

Follows from the Broader Policy of the Government

- Ensure Development
- And Provide Better Quality of Life

The Present Tax policy is certainly Accelerating Development

Thank You