

Table-9.1

## DISTRIBUTION OF RETURNS FOR ASSESSMENT YEAR 2003-04

Income Range (in Rs.)	Distribution of returns filed for Assessment Year 2001-02			Estimated Distribution of Returns for Assessment Year 2003-2004		
	Percentage Distribution			Salaried	Non-salaried	Total
	Salaried	Non-salaried	Total			
0-40,000	5.52	26.00	17.73	602942	4194541	4797483
40,000-50,000	2.01	9.44	6.44	219549	1522838	1742387
50,000-60,000	11.26	17.31	14.87	1229913	2793270	4023184
60,000-80,000	17.09	14.74	15.69	1866716	2378324	4245040
80,000-1,00,000	10.18	8.79	9.35	1111947	1417762	2529709
1,00,000-1,50,000	27.77	13.30	19.14	3033277	2145185	5178462
1,50,000-2,00,000	17.32	7.04	11.19	1891839	1135695	3027534
2,00,000-3,00,000	5.05	1.33	2.83	551604	214072	765676
3,00,000-4,00,000	1.62	0.43	0.91	176950	69257	246207
4,00,000-5,00,000	0.73	0.21	0.42	79737	33897	113634
5,00,000-10,00,000	1.2	1.15	1.17	131074	185478	316552
>10,00,000	0.25	0.27	0.26	27307	43038	70345
<b>Total</b>	100	100.00	100	10922855	16132851	27055706

Note: The distribution of returns across income range is based on information given by the Chief Commissioners in April, 2002, on actual returns filed during F.Y. 2001-02. Total number of returns filed during F.Y. 2001-02 is 2.05 crores and a 15% annual increase in number of returns has been assumed to arrive at the population size for A.Y. 2003-2004.

Table-9.2

## REVENUE COLLECTION FROM NON-SALARIED MEN AS PER THE LAW FOR ASSESSMENT YEAR 2003-04

INCOME RANGE (In Rs.)	NUMBER OF RETURNS	AVERAGE TOTAL INCOME	AVERAGE TAX AT CURRENT RATE WITHOUT SURCHARGE	AVERAGE HISTORICAL INVESTMENT IN SECURITIES SPECIFIES U/S 88	AVERAGE REBATE CLAIMED u/s 88	AVERAGE TAX AFTER REBATE	AVERAGE SURCHARGE	AVERAGE TAX INCLUDING SURCHARGE AT CURRENT RATE	REVENUE COLLECTION (WITHOUT SURCHARGE) (in Rs. crores)	REVENUE COLLECTION ON ACCOUNT OF SURCHARGE (in Rs. crores)	TOTAL REVENUE COLLECTION AT EXISTING RATES (in Rs. crores)
0-40,000	2096737	21884	0	105	21	0	0	0	0	0	0
40,000-50,000	912891	46098	0	131	26	0	0	0	0	0	0
50,000-60,000	1801169	54667	467	423	85	382	0	382	69	0	69
60,000-80,000	1650294	68482	2696	3024	605	2092	105	2196	345	17	362
80,000-1,00,000	987577	89130	6826	8168	1634	5192	260	5452	513	26	538
1,00,000-1,50,000	1504307	121877	13375	15938	3188	10188	509	10697	1533	77	1609
1,50,000-2,00,000	836005	171719	25516	20762	3114	22401	1120	23522	1873	94	1966
2,00,000-3,00,000	161935	241091	46327	24210	3632	42696	2135	44830	691	35	726
3,00,000-4,00,000	52841	343431	77029	25557	3834	73196	3660	76855	387	19	406
4,00,000-5,00,000	25791	445863	107759	26816	4022	103737	5187	108923	268	13	281
5,00,000-10,00,000	141981	685623	179687	25873	0	179687	8984	188671	2551	128	2679
>10,00,000	33170	3824798	1121439	26230	0	1121439	56072	1177511	3720	186	3906
Total	10973816								11949	594	12543

Table-9.3

## REVENUE COLLECTION FROM SALARIED MEN AS PER THE LAW FOR ASSESSMENT YEAR 2003-04

INCOME RANGE (In Rs.)	NUMBER OF RETURNS	AVERAGE TOTAL INCOME	AVERAGE TAX AT CURRENT RATE WITHOUT SURCHARGE	AVERAGE HISTORICAL INVESTMENT IN SECURITIES SPECIFIED U/S 88	AVERAGE REBATE CLAIMED U/S 88 AS PER EXISTING LAW	AVERAGE TAX AFTER REBATE	AVERAGE SURCHARGE	AVERAGE TAX INCLUDING SURCHARGE AT CURRENT RATE	REVENUE COLLECTION (WITHOUT SURCHARGE) (in Rs. crores)	REVENUE COLLECTION ACCOUNT OF SURCHARGE (in Rs. crores)	TOTAL REVENUE COLLECTION AT EXISTING RATES (in Rs. crores)
0-40,000	301394	24746	0	292	88	0	0	0	0	0	0
40,000-50,000	131613	45312	0	1943	583	0	0	0	0	0	0
50,000-60,000	793078	54975	498	5183	1555	0	0	0	0	0	0
60,000-80,000	1295295	68898	2780	11499	3450	0	0	0	0	0	0
80,000-1,00,000	774554	89300	6860	17830	5349	1511	76	1587	117	6	123
1,00,000-1,50,000	2127080	120769	13154	23382	4676	8477	424	8901	1803	90	1893
1,50,000-2,00,000	1392615	171818	25545	24926	3739	21806	1090	22897	3037	152	3189
2,00,000-3,00,000	417261	237410	45223	26228	3934	41289	2064	43353	1723	86	1809
3,00,000-4,00,000	135008	342313	76694	31293	4694	72000	3600	75600	972	49	1021
4,00,000-5,00,000	60669	442347	106704	34263	5139	101565	5078	106643	616	31	647
5,00,000-10,00,000	100336	675284	176585	33028	0	176585	8829	185415	1772	89	1860
>10,00,000	21046	2415767	698730	23601	0	698730	34936	733666	1471	74	1544
<b>Total</b>	<b>7429896</b>								<b>11510</b>	<b>576</b>	<b>12086</b>

TABLE 9.4

## REVENUE COLLECTION FROM NON-SALARIED MEN AS PER FINAL RECOMMENDATIONS OF THE TASK FORCE

INCOME RANGE (in Rs.)	NUMBER OF RETURNS	AVERAGE SALARY INCOME	AVERAGE TOTAL INCOME	AVERAGE STANDARD DEDUCTION	AVERAGE DEDUCTION UNDER SECTION	AVERAGE OTHER DEDUCTIONS UNDER CHAPTER VI-A	AVERAGE ADJUSTED TOTAL INCOME	TAX ON ADJUSTED TOTAL INCOME	SAVINGS UNDER 80-CCC	AVERAGE REBATE ON SAVINGS UNDER 80-CCC	AVERAGE OTHER DEDUCTIONS UNDER CHAPTER VI-A OTHER THAN 80-CCC	REBATE ON OTHER DEDUCTIONS UNDER CHAPTER VI-A	TOTAL AVERAGE TAX AFTER REBATE	TOTAL TAX PAYABLE AT NEW TAX RATES (in Rs. crores)
0-40,000	2096737	1899	21884	949	3441	906	27180	0	105	21	696	139	0	0
40,000-50,000	912891	4697	46098	2348	2339	496	51280	0	131	26	450	90	0	0
50,000-60,000	1801169	4083	54667	2042	1593	302	58603	0	423	85	292	58	0	0
60,000-80,000	1650294	6289	68482	3144	2694	625	74945	0	3024	605	595	119	0	0
80,000-1,00,000	987577	9546	89130	4773	4198	1289	99390	0	8168	1634	1073	215	0	0
1,00,000-1,50,000	1504307	16597	121877	8299	5844	2048	138068	7614	15938	3188	1842	368	4057	610
1,50,000-2,00,000	836005	25539	171719	12770	6952	2572	194013	18803	20000	4000	2167	433	14369	1201
2,00,000-3,00,000	161935	49817	241091	24959	7799	3515	277364	35473	20000	4000	3004	601	30872	500
3,00,000-4,00,000	52841	71038	343431	30000	8797	4663	386891	57378	20000	4000	4011	802	52576	278
4,00,000-5,00,000	25791	90469	445863	30000	9733	5951	491547	87464	20000	4000	4372	874	82590	213
5,00,000-10,00,000	141981	119173	665623	30000	9068	6354	731044	159313	20000	4000	5724	1145	154168	2189
>10,00,000	33170	363776	3824798	20000	10079	19308	3874196	1102256	20000	4000	18449	3690	1094566	3631
<b>TOTAL</b>	<b>10973816</b>													<b>8622</b>

Table-9.5

## REVENUE COLLECTION FROM SALARIED MEN TAXPAYERS AS PER FINAL RECOMMENDATION BY THE FORCE

INCOME RANGE (In Rs.)	NUMBER OF RETURNS	AVERAGE SALARY INCOME	AVERAGE TOTAL INCOME	AVERAGE STANDARD DEDUCTION	AVERAGE DEDUCTION UNDER SECTION 80-L	AVERAGE OTHER DEDUCTION UNDER CHAPTER VI-A	AVERAGE ADJUSTED TOTAL INCOME	TAX ON AVERAGE ADJUSTED TOTAL INCOME	SAVING UNDER 80-CCC	AVERAGE REBATE ON SAVING UNDER 80-CCC	AVERAGE OTHER DEDUCTION UNDER CHAPTER VI-A (OTHER THAN 80-CCC)	REBATE ON OTHER DEDUCTION UNDER CHAPTER VI-A	AVERAGE TAX AFTER REBATE AT THE NEW TAX RATES	TOTAL TAX PAYABLE AT NEW TAX RATES
0-40,000	301394	27086	24746	13543	235	566	39111	0	292	58	572	114	0	0
40,000-50,000	131613	46375	45312	23187	130	310	69339	0	1943	389	294	59	0	0
50,000-60,000	793078	56047	54975	28024	132	241	83372	0	5183	1037	223	45	0	0
60,000-80,000	1295295	70245	68898	30000	166	267	99331	0	11469	2300	247	49	0	0
80,000-1,00,000	774584	90903	89300	30000	312	378	119990	3998	17630	3566	345	69	363	28
1,00,000-1,50,000	2127080	123287	120769	30000	768	684	152221	10444	20000	4000	549	110	6334	1347
1,50,000-2,00,000	1392615	175833	171818	25000	1530	1347	199695	19839	20000	4000	964	193	15746	2193
2,00,000-3,00,000	417261	241923	237410	25000	2302	1950	266662	33332	20000	4000	1372	274	29058	1212
3,00,000-4,00,000	135008	348288	342313	20000	3519	2801	368633	53727	20000	4000	1958	392	48335	666
4,00,000-5,00,000	60669	448346	442347	20000	4657	3429	470432	81130	20000	4000	2336	467	76662	465
5,00,000-10,00,000	100336	680533	675284	0	5564	4114	684963	145489	20000	4000	3014	603	140886	1414
>10,00,000	21046	2394841	2415767	0	7607	8258	2431631	669489	20000	4000	7099	1420	664070	1398
TOTAL	7428896													8723

Table-9.6

REVENUE COLLECTION FROM SENIOR CITIZENS AS PER THE LAW FOR ASSESSMENT YEAR 2003-04													
INCOME RANGE (in Rs.)	NUMBER OF RETURNS	AVERAGE TOTAL INCOME	AVERAGE TAX AT CURRENT RATE WITHOUT SURCHARGE	REBATE UNDER SECTION 88B	AVERAGE TAX AFTER REBATE UNDER SECTION 88B	AVERAGE HISTORICAL INVESTMENT IN SECURITIES SPECIFIED U/S 88	AVERAGE REBATE CLAIMED U/S 88	AVERAGE TAX AFTER REBATE	AVERAGE SURCHARGE	AVERAGE TAX INCLUDING SURCHARGE AT CURRENT RATE	REVENUE COLLECTION (WITHOUT SURCHARGE) (in Rs. crores)	REVENUE COLLECTION ON ACCOUNT OF SURCHARGE (in Rs. crores)	TOTAL REVENUE COLLECTION AT EXISTING RATE (in Rs. crores)
0-40,000	239,874	21,883.85	0.00	0.00	0.00	105.02	21.00	0.00	0.00	0.00	0.00	0.00	0.00
40,000-50,000	87,119	46,097.57	0.00	0.00	0.00	131.36	26.27	0.00	0.00	0.00	0.00	0.00	0.00
50,000-60,000	201,159	54,667.13	466.71	466.71	0.00	422.73	84.55	0.00	0.00	0.00	0.00	0.00	0.00
60,000-80,000	212,252	68,481.54	2,696.31	2,696.31	0.00	3,024.02	604.80	0.00	0.00	0.00	0.00	0.00	0.00
80,000-1,00,000	126,485	89,129.74	6,825.95	6,825.95	0.00	8,168.47	1,635.69	0.00	0.00	0.00	0.00	0.00	0.00
1,00,000-1,50,000	258,923	121,877.04	13,375.41	13,375.41	0.00	15,938.41	3,187.68	0.00	0.00	0.00	0.00	0.00	0.00
1,50,000-2,00,000	151,377	171,719.07	25,515.72	15,000.00	10,515.72	20,761.62	3,114.24	7,401.48	370.07	7,771.55	112.04	5.60	117.64
2,00,000-3,00,000	38,284	241,090.82	46,327.25	15,000.00	31,327.25	24,210.23	3,631.53	27,695.71	1,394.79	29,090.50	106.03	5.30	111.33
3,00,000-4,00,000	12,310	343,430.57	77,029.17	15,000.00	62,029.17	25,557.20	3,833.58	58,195.59	2,909.78	61,105.37	71.64	3.58	75.22
4,00,000-5,00,000	5,682	445,863.24	107,758.97	15,000.00	92,758.97	26,816.38	4,022.46	88,736.52	4,436.83	93,173.34	50.42	2.52	52.94
5,00,000-10,00,000	15,828	685,623.00	179,686.90	15,000.00	164,686.90	25,872.71	0.00	164,686.90	8,234.34	172,921.24	260.66	13.03	273.69
>10,00,000	3,517	3,824,798.33	1,121,439.50	15,000.00	1,106,439.50	26,230.33	0.00	1,106,439.50	55,321.97	1,161,761.47	389.16	19.46	408.62
Total	1,352,785												1,039.45

Table-9.7

REVENUE COLLECTION FROM SENIOR CITIZENS AS PER FINAL RECOMMENDATIONS OF THE TASK FORCE														
INCOME RANGE (in Rs.)	NUMBER OF RETURNS	AVERAGE SALARY INCOME	AVERAGE TOTAL INCOME	AVERAGE STANDARD DEDUCTION	AVERAGE DEDUCTION UNDER SECTION 80-I	AVERAGE OTHER DEDUCTION UNDER SECTION VI-A	AVERAGE ADJUSTED TOTAL INCOME	TAX ON AVERAGE ADJUSTED TOTAL INCOME	SAVING UNDER 80-CCC	AVERAGE REBATE ON SAVINGS UNDER 80-CCC	AVERAGE OTHER DEDUCTIONS UNDER CHAPTER VI A (OTHER THAN 80-CCC)	REBATE ON OTHER DEDUCTIONS UNDER CHAPTER VI-A	TOTAL AVERAGE TAX AFTER REBATE	TOTAL TAX PAYABLE AT NEW TAX RATES (in Rs. crores)
0-40,000	239874	1899	21884	949	3441	906	27180	0	105	21	696	139	0	0.00
40,000-50,000	87119	4697	46098	2348	2339	496	51280	0	131	26	450	90	0	0.00
50,000-60,000	201159	4083	54667	2042	1593	302	58603	0	423	85	292	58	0	0.00
60,000-80,000	212252	6289	68482	3144	2694	625	74945	0	3024	605	595	119	0	0.00
80,000-1,00,000	126485	9546	89130	4773	4198	1289	99390	0	8168	1634	1073	215	0	0.00
1,00,000-1,50,000	258923	16597	121877	8299	5844	2048	138068	0	15938	3188	1842	368	0	0.00
1,50,000-2,00,000	151377	25539	171719	12770	6952	2572	194013	8803	20000	4000	2167	433	4369	66.14
2,00,000-3,00,000	38284	49917	241091	24959	7799	3515	277364	25473	20000	4000	3004	601	20872	79.91
3,00,000-4,00,000	12310	71038	343431	30000	8797	4663	386891	47378	20000	4000	4011	802	42576	52.41
4,00,000-5,00,000	5682	90469	445863	30000	9733	5951	491547	77464	20000	4000	4372	874	72590	41.24
5,00,000-10,00,000	15828	119173	685623	30000	9068	6354	731044	149313	20000	4000	5724	1145	144168	228.18
>10,00,000	3517	363776	3824798	20000	10079	19308	3874186	1092256	20000	4000	18449	3690	1084566	381.47
TOTAL	1352785													849.35

Table-9.8

## IMPACT OF THE RECOMMENDATIONS MADE BY THE TASK FORCE

Income Range	Salaries Taxpayers			Non-Salaried Taxpayers			Senior Citizens		
	Existing Tax Liability	Proposed Tax Liability	Tax Relief (in Rs.)	Existing Tax Liability	Proposed Tax Liability	Tax Relief (in Rs)	Existing Tax Liability	Proposed Tax Liability	Tax Relief (in Rs)
0-40,000	0	0	0	0	0	0	0	0	0
40,000-50,000	0	0	0	0	0	0	0	0	0
50,000-60,000	0	0	0	382	0	382	0	0	0
60,000-80,000	0	0	0	2196	0	2196	0	0	0
80,000-1,00,000	1587	363	1224	5452	0	5452	0	0	0
1,00,000-1,50,000	8901	6334	2567	10697	4057	6640	0	0	0
1,50,000-2,00,000	22897	15746	7151	23522	14369	9152	7772	4369	3402
2,00,000-3,00,000	43353	29058	14295	44830	30872	13959	29080	20872	8209
3,00,000-4,00,000	75600	49335	26265	76855	52576	24279	61105	42576	18529
4,00,000-5,00,000	106643	76662	29980	108923	82590	26334	93173	72590	20584
5,00,000-10,00,000	185415	140886	44528	188671	154168	34503	172921	144168	28753
Above 10,00,000	733666	664070	69597	1177511	1094566	82946	1161761	1084566	77196



Table-9.9

REVENUE IMPACT OF CORPORATE TAX REFORMS			
Particulars	Non-Banking Companies	Banking Companies	All Companies
Sample Size	1275	59	1334
Statutory Corporate Tax Rate(Assessment Year 2002-03)	35.70	35.70	35.70
Profits before Tax (Assessment Year 2002-03)	61707	16695	78402
Corporate Tax Paid (Assessment Year 2002-03)	13420	5844	19264
Surcharge of 3 percent (Assessment Year 2003-04)	395	172	567
Corporate Tax Collection (adjusted for Asstt Year 2003-04)	13815	6016	19831
Effective Corporate tax Rate (Asst Year 2002-03)	21.75	35.01	24.57
Effective Corporate tax Rate (Asst Year 2003-04)	22.39	36.04	25.29
Pre-Reform Corporate Tax Base	37591	16371	53961
Post-Reform Corporate Tax Base	61707	16695	78402
Post Reform Tax Collection (@30 percent)	18512	5009	23521
Increase in Collection	4697	-1008	3690
Percentage increase in collection	34.00	-16.75	18.61
Tax Collection in 2002-03 (Asstt Year 2003-04)	40000	8000	48000
Revenue Impact of Recommendations	13601	-1340	12262
Impact of Full Allowance for NPAs	0	-1500	-1500
Net Revenue Impact of Recommendations	13601	-2840	10762

**Table-9.10**  
**SUMMARY OF REVENUE IMPACT**

*(Rs in crores)*

Particulars	Proposed	Existing	Loss	Gain
<b>Salaried taxpayers</b>	8723	12086	3363	
<b>Non-Salaried Taxpayers</b>	8622	12543	3921	
<b>Senior Citizens</b>	849	1039	190	
<b>Women</b>	4767	5172	404	
<b>Partnership Firms</b>	8150	10000	1850	
<b>Mutual Funds</b>	1500	NIL	-	1500
<b>Taxation of Dividends</b>	-	1500	1500	
<b>Long Term capital gains</b>	-	1000	1000	
<b>Corporate Tax</b>	58762	48000	-	10762
<b>Total</b>	91373	91340	12228	12262