

New tax regime should last 50 years: Finance minister

The government Thursday said it would bring in the new direct tax code only after consulting and reviewing suggestions from taxpayers and the corporate sector to ensure the new taxation regime lasts another 50 years.

'The government would make all efforts to meet the aspirations and expectations of taxpayers and the corporate sector before finalisation of the direct tax code,' Finance Minister Pranab Mukherjee told the newly constituted Parliamentary Consultative Committee attached to his ministry.

'The next steps in this direction would be taken only after a comprehensive review of the draft DTC by taking on board the suggestions received,' Mukherjee said, according to a statement released Thursday by his ministry.

'We are trying to bring the new taxation regime, which can last for another 50 years. We want to see that new taxation system includes the basic features and time-tested procedures of the existing Act.'

He said he has also discussed the suggestions received so far with the Central Board of Direct Taxes. 'The outcome of the discussion would be used for modifying the proposals contained in the draft direct tax code,' Mukherjee added.

The government has identified nine critical areas that would be reviewed in detail.

These relate to minimum alternative tax (MAT) based on gross assets, capital gains taxation in the case of non-residents, Income-Tax Act and the Double Taxation Avoidance Agreement, besides taxation of charitable organisations and salaried people.

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