



Mrunal's Economy Win21 Updates For UPSC & Other Competitive Exams

Pillar #2A: Budget: Taxation, #2B: Black Money, 15th FC

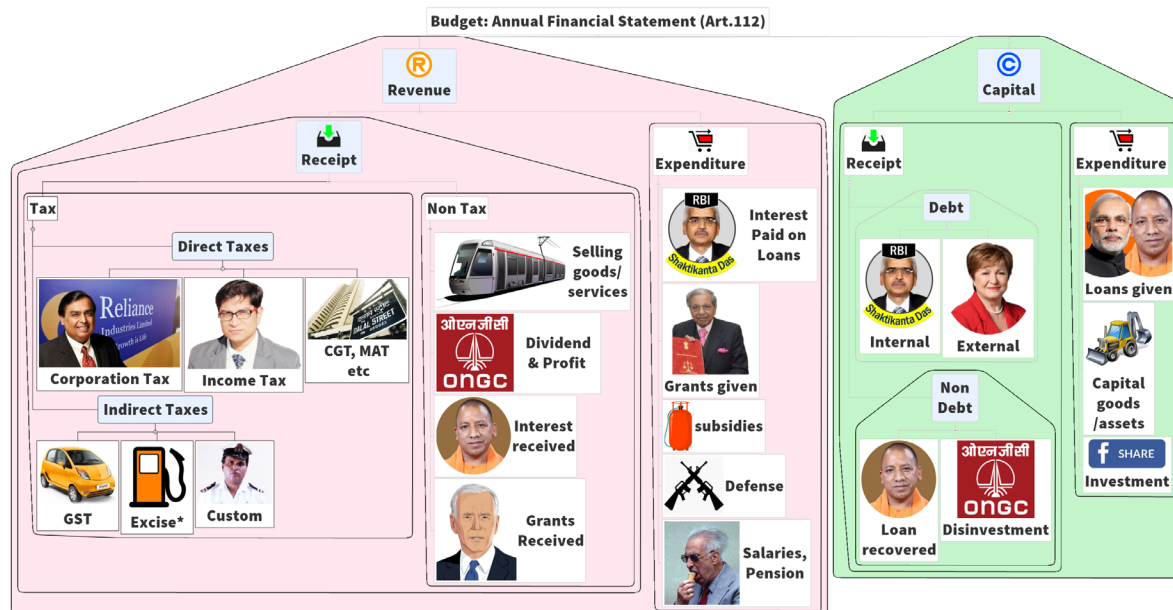
Contents

20.1	Budget 2021: Taxation.....	60
20.1.1	Net Tax Revenue of the Govt (शुद्ध कर राजस्व)	61
20.1.2	Revenue Shortfall (राजस्व में कमी)	61
20.1.3	Direct Tax → Corporation Tax (निगम कर).....	62
20.1.4	Corporation Tax: Exemption from audit for small companies ..	62
20.1.5	Direct Tax → Income Tax on Individuals (व्यक्तिक आयकर)	63
20.1.6	Income Tax Slabs in Budget-2021, Compliance relief to Senior Citizen	63
20.1.7	Indirect Tax → Customs Duty (सीमा शुल्क) in Budget-2021	63
20.1.8	Excise & Customs Cess and Surcharges in recent years	63
20.1.9	Indirect Tax → Petrol & Diesel price because	64
20.2	Indirect Tax → Goods & Services Tax (GST)	64
20.2.1	Indirect Tax → GST Rate on Corona Related Items (2021-Jun)	64
20.2.2	Indirect Tax → GST Revenue Collection Figures: जीएसटी राजस्व प्राप्ति के आंकड़े	65
20.2.3	GST Mechanism: Quarterly Returns and Monthly Payment of Tax (QRMP)	66
20.2.4	1% GST deposit in cash for controlling fake ITC claims	66
20.3	→ () Compensation to States: HOW?	67
20.3.1	→ () GST Compensation & Back2Back Loans.....	68
20.3.2	→ () GST Compensation: 2 Borrowing options	68
20.3.3	[→ () GST compensation: "back to back" loans ₹1.10 lcr.....	69
20.3.4	[→ () Back to Back loans: Beneficiary States	69
20.3.5	: GST Back to Back Loans and Fiscal Deficit / FRBM for States.....	70
20.3.6	Conclusion : GST compensation (निष्कर्ष).....	70
21	() Taxation → Finance Commission.....	70
21.1	[] Tax Devolution among States	70
21.1.1	[] Horizontal Devolution Formula	71
21.1.2	[] 15 th FC: Horizontal devolution: States' share	71
21.1.3	[] 15 th FC: Horizontal devolution: GRANTS to States	71
21.1.4	15 th FC: Local Bodies Grants (स्थानीय निकाय अनुदान)	72
21.1.5	15 th FC: Sector Specific Grants (क्षेत्र-विशिष्ट अनुदान)-Malnutrition.....	73



21.1.6		15th FC: Sector Specific Grants (क्षेत्र-विशिष्ट अनुदान)-Health.....	73
21.1.7		15th FC: Sector Specific Grants (क्षेत्र-विशिष्ट अनुदान)- Others(अन्य)	74
21.1.8		15th FC recommends Defence and Internal Security Fund for Union	74
21.1.9		15th FC: Other recommendations to Govt (सरकार के लिए अन्य सिफारिशें)	75
21.1.10		15 th FC Report: conclusion (निष्कर्ष).....	75
22		Taxation → Black Money & Allied Issues	76
22.1		Tax: GDP: 15 th Finance Commission on how to improve it?	76
22.2		Global Minimum Tax (वैश्विक न्यूनतम कर)	77
22.2.1		Global Minimum Tax: G7 Framework	77
22.3		Reforms to reduce Tax Terrorism / Harassment.....	78
22.3.1		Dispute Resolution Committee (DRC) in Budget-2021	78
22.3.2		Cash Transaction Limit Relaxed for Corona	78
22.3.3		Faceless interaction between Tax payers and Tax official	78
22.3.4		Time limit on opening of past cases	79
22.4		Taxpayers' Charter in Budget-2020 (करदाताओं का अधिकारपत्र)	79
22.4.1		(Indian) Tax Payers' Charter released in 2020-Aug	80
22.4.2		Conclusion: Tax Payers' Charter	81
22.5		Tax Ombudsman in Economic Survey 2021	81
22.5.1		Tax ombudsman: Indian experience	81
22.5.2		problems in previous Ombudsman system (2003-19)?	81
22.5.3		Tax Ombudsman: Global experience with Independent.....	82
22.5.4		Tax Ombudsman: Conclusion / way forward (निष्कर्ष/आगे का रास्ता).....	82
22.6		Mock MCQs for UPSC Prelims	82
22.7		Mock Questions for UPSC Mains (250 words each).....	84
22.7.1		To be continued.... Next Handouts	84
22.8		Mrunal's Economy Course for UPSC Prelims & Mains from 15 th July.....	84

Economy: 6 Pillars™	Prelims P1 (GS 100 MCQs)					Mains GSM-1-2-3 (750 Marks)				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
2_Budget, FC, GST, Disinvestment, FRBM etc	3	3	4	1	1	12.5	30	25	25	15



Budget 2021	No specific theme mentioned in speech but focus on AtmaNirbhar Bharat Paperless/Digital Budget in a Samsung tablet made in India, covered in Red-colored cover.
Economic Survey 2020-21	Paperless / Digital Survey. Green&Red/Brownish cover with photo of healthworkers & Corona Virus. No theme explicitly mentioned in preface. but focus areas / major talking points were 1) #SavingLives&Livelihoods 2) V-shaped Recovery 3) Countercyclical fiscal policy 4) Bare Necessities Index (BNI)

20.1 BUDGET 2021: TAXATION

Table 1: Data from बजेट (Approx. Amount)

Year → (Note: this is including Cess & Surcharge)	2019-20	2020-21 (BE on 1 st Feb 2020)	2020-21 (Revised Estimates on 1 st Feb 2021)	2021-22 (BE: Budget Estimates)
Corporation Tax (direct tax)	5.56 Lcr	6.81 Lcr	4.46 Lcr	5.47 Lcr
Income Tax (direct tax)	4.92 Lcr	6.38 Lcr	4.59 Lcr	5.61 Lcr
- Excise Duty (petrol, diesel etc.) & - National Calamity Contingent Duty on Tobacco	2.48 Lcr	2.67 Lcr	3.61 Lcr (than expected bcoz govt kept raising excise on petrol diesel)	3.35 Lcr
Customs Duty	1.25 Lcr	1.38 Lcr	1.12 Lcr (bcoz Corona = import export)	1.36 Lcr
A) CGST	5.14 Lcr	5.80 Lcr	4.31 Lcr ()	5.30 Lcr
B) IGST	Not mentioned separately			
C) GST compensation Cess	98k cr	1.10 Lcr	84kcr	1.00 Lcr
GST collected by Union=A+B+C	6.12 Lcr	6.90 Lcr	5.15Lcr	6.30 Lcr



Table 2: Which taxes will fetch max. ₹ for the Government? कौनसे करों में सबसे ज्यादा आमदनी होगी सबसे ज्यादा आमदनी होगी?

Upto Budget Estimate-2019	Corporation > GST > IT > Excise > Customs > STT (Securities Transaction Tax)
Revised Est 2019	GST > Corporation > IT > Excise > Customs > STT
Budget-2020 (BE)	GST > Corporation > IT > Excise > Customs > STT (Budget Estimates on 1/2/2020) बजट अनुमान
Budget-2020	GST > IT > Corporation > Excise > Customs > STT (RE: revised Estimates on 1/2/2021) संशोधित अनुमान
Budget-2021 (BE)	GST > IT > Corporation > Excise > Customs > STT (Budget Estimates on 1/2/2021) बजट अनुमान

20.1.1 Net Tax Revenue of the Govt (शुद्ध कर राजस्व)

Sr.	Budget → Revenue Receipts → Tax Receipts (Approx.)	Budget 2020-21	Budget 2021-22
A	Union's Direct taxes, incl. cess and surcharge	~ 13 lakh crores	11.08 Lakh Cr
B	Union's Indirect taxes incl. cess and surcharge. - For Union: direct taxes income is >> indirect taxes. - But if we summed all the taxes of union, state and local bodies then indirect taxes income >> direct taxes.	~ 11 lakh crores	11.02 Lakh Cr
C	Union territories without legislature: their direct and indirect taxes: विधानमंडल रहित संघ राज्य क्षेत्र	~7500 crores	7000 cr
D	Gross Tax Revenue (=A+B+C) सकल कर राजस्व	~24 lakh crores	22 Lcr
E	Minus the Tax devolution to States (कर हस्तांतरण) as per the Finance Commission	(-)~8 lakh crores	(-) 6.65 Lakh Cr
F	Minus Contributions to National Disaster Response Fund in Home ministry**	(-)~3000 crores	(-) 6100 cr
D-E-F	Net Tax Revenue of Union (शुद्ध कर राजस्व) +D-E-F=	~ 16 lakh crores	15 Lakh Cr

**Public Account → National Disaster Response Fund (राष्ट्रीय आपदा प्रतिक्रिया कोष) is a statutory fund under Disaster Management Act, 2005. Previously, called National Calamity Contingency Fund (NCCF).

20.1.2 Revenue Shortfall (राजस्व में कमी)



Budget Estimates: बजट अनुमान Revised Estimates संशोधित अनुमान	BE-2020-21 Presented on 1/2/2020	RE-2020-21 Presented on 1/2/2021	Shortfall: BE Minus RE Amount in Crores
Corporation Tax (निगम कर)	681000	446000	👤 235000
Income Tax (आयकर)	638000	459000	👤 179000
Customs Duty (सीमा शुल्क)	138000	112000	👤 26000
Excise Duty (उत्पाद शुल्क)	267000	361000	😊 No Shortfall, excess collection of 94kCr
GST	690500	515100	👤 175400
Total = Gross Tax Revenue	2423020	1900280	👤 522740
	इतना कमाने की उम्मीद थी	वास्तव में इसके आसपास	इतना हुआ राजस्व घटा

- ⇒ Budget 2020 is presented on 1/2/2020 for the next financial year starting from 1st April 2020 to 31st March 2021. So, FinMin could have only made projections /estimations about how much taxes will be collected during 1/4/20 to 31/3/21.
- ⇒ But throughout the year, based on the advance tax-collection figures & monthly GST collection figures, FinMin will have to re-adjust the estimates.
- ⇒ 1/2/2021: Budget 2021 is presented for next FY-2021-22. Along with that, Govt will present revised estimates for previous Financial Year (2020-21).
- ⇒ From the table we can see Gross Tax collection is less than expected (24 MINUS 19) = ~5.## lakh crore is 'Revenue Shortfall'

20.1.3 🏠👤🏢 Direct Tax → Corporation Tax (निगम कर)

- ⇒ No changes in % rates / slabs. Same as last Year (📄 Ref: Win20 Series Handout)
- ⇒ Tax holiday for developers of affordable housing extended till 31/3/2022. (meaning 0% corporation tax / capital gains tax on their profit).
- ⇒ Infrastructure Debt Funds (a type of NBFC) company- When they issue zero coupon bonds → Govt to provide tax incentives. HOW?NOTIMP.
- ⇒ Startup company Tax Holidays = shall valid upto 31/3/2022.
- ⇒ Person makes investment in startup → sells his share/partnership @profit to other investor → 0% Capital Gains Tax on that Profit till 31/3/2022.

20.1.4 🏠👤🏢👤👤: 🏢👤👤 Corporation Tax: Exemption from audit for small companies

- ⇒ Audit (लेखा परीक्षण) is a systematic and scientific examination of the Balance Sheet/Accounts Books/Financial Transactions. Audit is done by an independent person known as 👤 Auditor.
- ⇒ By default, companies with turnover above ₹1cr, need to present their audited accounts to the Govt. (कंपनियों ने अपना लेखा परीक्षण सरकार में जमा करना होता है)
- ⇒ 📁 Budget-2021: if the company carries out 95% of their transactions digitally, they'll be exempted from the audit requirement, if their turnover upto ₹10cr. Earlier this limit was 5 cr. (अपना ज्यादातर लेनदेन डिजिटल माध्यम से करने वाली छोटी कंपनियों को लेखा परीक्षण से मुक्ति)



- ⇒ 😊 Benefit? 1) No need to hire auditors → ⬇️ Tax Compliance Burden for the company (कर अनुपालन के खर्चे कम होंगे कंपनी के लिए) 2) ⬆️ digital Transaction → ⬇️ scope for Tax Evasion & Black Money (डिजिटल भुगतान में बढ़ोतरी से काले धन और कर चोरी के अवसरों में कमी)

20.1.5 🏠👤👤 Direct Tax → Income Tax on Individuals (व्यक्तिक आयकर)

- ⇒ No changes in % rates / slabs. Same as last Year (📄 Ref: Win20 Series Handout)
- ⇒ 🏠 Atma-Nirbhar 3.0: 🏠 First time home buyers of home upto Rs. 2 cr will get income tax relief. How exactly? Associated concepts of circle rate of stamp duty etc. = beyond the scope of UPSC MCQs. We'll not waste time. # 🏠 थोड़ा-पढ़ो-आगे-बढ़ो

20.1.6 🏠👤👤 Income Tax Slabs in 📁 Budget-2021, Compliance relief to Senior Citizen 😊

- No changes in the income tax slabs. so the previous system of normal slab and optional slab continued. आयकर की दरों में कोई बदलाव नहीं किया गया, पुरानी व्यवस्था जारी रहेगी.
- IF senior citizen 😊 aged 75 years/> or older AND has only pension and interest income THEN:
 - He need not file the income tax return form. वरिष्ठ नागरिक जिसका पेंशन और बैंक बचत ब्याज के अलावा आय का अन्य कोई स्रोत नहीं है उसने आयकर फॉर्म नहीं भरना होगा
 - The paying bank will deduct the necessary tax on their income.
 - 😊 Benefit? ⬇️ compliance burden on the senior citizen. बुजुर्ग पर कर-अनुपालन के बोझ में कमी

20.1.7 🏠👤👤 Indirect Tax → Customs Duty (सीमा शुल्क) in 📁 Budget-2021

- ⬆️ Increased On imported raw silk ethanol leather auto parts, Mobile phone parts, Solar lamps, etc. To provide level playing field to domestic farmers & manufacturers
- ⬇️ Decreased On imported Naptha Nylon Iron Steel Copper Platinum etc to help Local manufacturers Who use it as raw material
- ⬇️ Decreased Customs Duty on the items which are subjected to Agriculture Infrastructure and Development Cess (AIDC)- To prevent additional burden on the customers

20.1.8 🏠👤👤 Excise & Customs Cess and Surcharges in recent years

Cess / Surcharge	Description
Social Welfare Surcharge (SWS) On Customs	<p>⇒ 📁 Budget-2018 It also introduced 10% SWS (समाज कल्याण अधिभार) on Customs Duty on imported goods.</p> <p>⇒ 📁 Budget-2021- SWS will no longer be applicable on the gold and silver. (Because additional burden of Agriculture Infrastructure and Development Cess (AIDC) on gold-silver. So, if SWF also levied = too much tax burden on people= Which may encourage more smuggling and black money, so govt exempted these goods from SWS)</p>
Health Cess On Customs	<p>⇒ 📁 Budget-2020 Introduced 5% Health Cess (स्वास्थ्य उपकर) on the customs duty on imported medical devices (आयातित चिकित्सा उपकरण).</p> <p>⇒ This Cess ₹₹ will be used for building (Ayushman Bharat scheme ke) hospitals (to treat PM-JAY ₹5lakh health insurance-walle poor</p>



	patients) in Aspirational Districts (आकांशी-जिले=backward districts identified by NITI Aayog.)
Agriculture Infrastructure and Development Cess On Customs And Excise	<p>⇒ Budget-2021 introduced this (कृषि अवसंरचना और विकास उपकर)</p> <p>⇒ This cess will be applicable on the Excise duty on petrol (cess@₹2.5/litre) and diesel (cess@₹4/litre)</p> <p>⇒ This cess will be applicable on Customs Duty on Gold silver, alcoholic beverages, certain types of edible oils, certain fruits, certain Pulses, Cotton, Urea/fertilizer. (Cess varies from 1.5-100% depending on item)</p>

20.1.9 Indirect Tax → Petrol & Diesel price because

	PETROL	DIESEL
A) Union Tax	Basic excise ₹1.40 + Special additional excise ₹11 + ₹18 Road Infrastructure cess + ₹2.50 Agriculture infrastructure and development cess (AIDC)	Basic excise ₹1.80 + Special additional excise ₹18 + ₹18 Road Infra cess + ₹4 AIDC
B) State Tax	State VAT ₹20 per litre.	State VAT ₹15 per litre.
Total in India = A+B	135% taxes on base price	116% taxes on base price
elsewhere	Taxes on fuel: EU (45-60%), Canada 15-30%, USA (15%)	

⇒ If above taxes are replaced with highest GST slab (28%) → hardly ₹5-6 per litre each for Union and State = Loss of over 4 lakh cr On petrol and diesel taxes in GST system compared to present (Excise VAT) regime.

⇒ So, cheap petrol-diesel is not possible, unless Union and State governments are willing to take deep cuts in their revenue. Corona= direct tax collection , so govt can't afford to reduce tax% on fuel. Related topic: Why crude prices /? Ans. (Ref: HDT-Pillar#3A: BoP, Import-Export)

20.2 INDIRECT TAX → GOODS & SERVICES TAX (GST)

20.2.1 Indirect Tax → GST Rate on Corona Related Items (2021-Jun)

GST Council usually meets every three months. But Corona= meetings not done regularly. e.g. 2020-Oct meeting → next meeting in 2021-May i.e. more than 7 months passed. (वस्तु एवं सेवाकर परिषद सामान्य रूप से तीन तीन महीने पर मिलती है किंतु कोरोना संक्रमण के चलते ऐसा नहीं हो पाया.)

2021-May: GST Council meeting outcomes:

⇒ reduced the penalties on merchants for late-filing of GST documents/data. (GST के दस्तावेज़ देरी से जमा करने पर लगने वाले जुर्माने में कमी की गई)



- ⇒ Formed a Group of Minister (GoM) headed by Meghalaya CM Conrad Sangma to examine GST rates of Covid vaccine, drugs and related items. (मंत्रियों का एक समूह बनाया है जो वैक्सीन इत्यादि चीजों पर GST दरें कितनी लगायी जाए समीक्षा करेगा) 2021-Jun: Based on GoM's recommendations, GST Council decided following:

Table 3: These GST rates valid upto 30/9/2021, unless renewed further

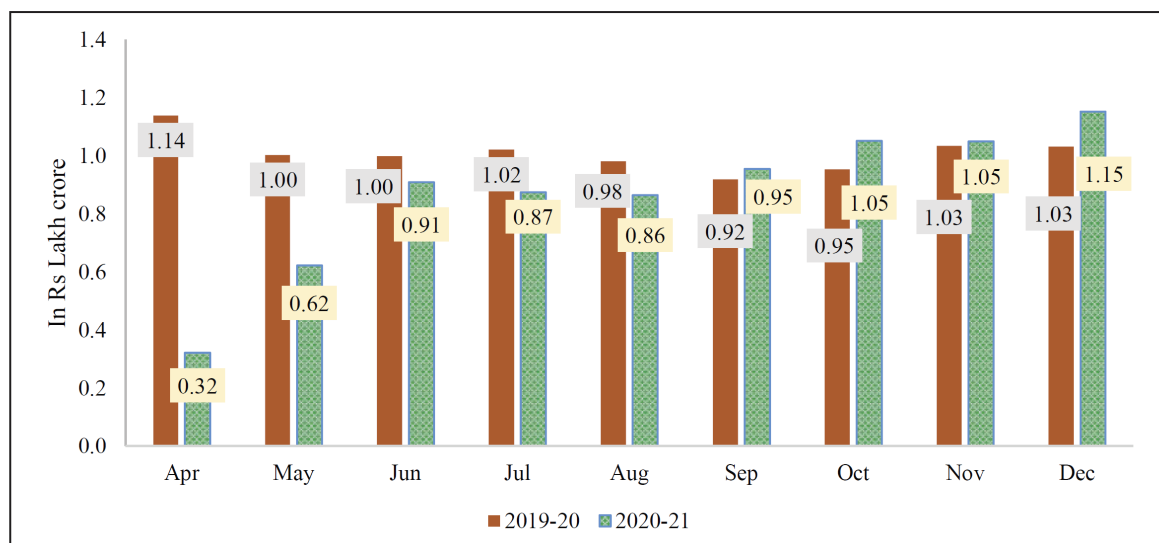
Item & GST	BEFORE	AFTER
Tocilizumab (Corona Drug), Amphotericin B (Black Fungus Drug)	5%	Nil / 0%
Remdesivir, Oxygen Concentrator, Ventilator, Covid Testing Kits, Pulse Oximeters	12%	5%
Temperature check equipment, Hand Sanitizer, crematorium furnaces	18%	5%
Ambulances	28%	12%
Vaccines##	5%	5%

- ⇒ Vaccine GST not to 0% because otherwise pharma manufacturers will not be able to claim input tax credit (ITC) and it will price burden on patients. वैक्सीन के अलावा वाली कोरोना की दवाइयाँ, इस चिकित्सा दोनों पर GST की दरें कम की गई है। वैक्सीन पर GST को शून्य नहीं किया गया क्योंकि ऐसा करने पर फार्मास्यूटिकल कंपनी को कच्चे माल की खरीदारी पर अदा किया गया GST माफ़ी भी नहीं मिलेगा तो ग्राहक पर कीमतों का बोझ बढ़ता है
- ⇒ **2020-Oct decision:** satellite launch services supplied by ISRO, Antrix Corporation Ltd. and NSIL would be exempted.

20.2.2 Indirect Tax → GST Revenue Collection Figures: जीएसटी राजस्व प्राप्ति के आंकड़े

Year/Month	2017 monthly avg.	2018 monthly avg.	2019 and 2021
GST collection	89700 cr	98114 cr	Given in graph below.

Trends in GST collection during 2020-21





20.2.3 🏠📊📅📌 GST Mechanism: Quarterly Returns and Monthly Payment of Tax (QRMP)

जीएसटी का पैसा हर महीने सरकार में जमा करो लेकिन खरीदी और बिक्री के हिसाब किताब के फॉर्म आराम से
तीन-तीन महीने में जमा करो योजना

- ⇒ Bizman will have to deposit the GST Tax ₹ to Government on a monthly basis (1-1 month), but he may submit the GST forms on quarterly basis (3-3 months) [Forms showing summary of Incoming and outgoing supplies]
- ⇒ 😊 Benefit? ⬇️ Compliance burden. Bizman will have to spend less time filling monthly forms / have to pay less fees to the chartered accountant.
- ⇒ Scheme applicable to? Small traders/taxpayers having turnover Not more than ₹"X" cr. (Presently, X = ₹5cr), But the exact figure is not important. Sufficient to know that it is not available for everyone. छोटे व्यापारियों पर कर-अनुपालन का बोझ कम होगा
- ⇒ The scheme is not compulsory. It is optional / Voluntary. अनिवार्य नहीं है. वैकल्पिक है

20.2.4 🏠📊📅📌 1% GST deposit in cash for controlling fake ITC claims

फर्जी टैक्स क्रेडिट को रोकने के लिए अनिवार्य रूप से 1% जीएसटी नगदी में जमा करना होगा

- ⇒ Scammers acquire Aadhaar card/pan card xerox of innocent victims → Register multiple fake/dummy companies in their name → Generate fake invoices to show they purchased good/services (input) price+GST → Then they show (output) fake exports bills (Because exports are subjected to 0% GST) thus they accumulate GST input tax credit (ITC) from govt, thus gain money. Then they pull out this accumulated ITC money through other fake bills & refund forms. धोखेबाज फर्जी-कंपनियां बनाकर, उसमें खरीदी बिक्री के फर्जी-बिल बनाकर सरकार से जीएसटी-क्रेडिट का गबन करते हैं.
- ⇒ To control this nuisance, the govt ordered Bizmen to compulsorily deposit at least 1% of their GST liability in Cash to the Govt.
- ⇒ 😊 Benefit? Fraudster will have to make a trip to the bank branch /GST office To deposit the cash. It will generate CCTV footage, paper-evidences, etc which will help nabbing them. धोखेबाज ने नगदी रकम जमा करने के लिए बैंक शाखा और सरकारी दफ्तरों के चक्कर काटने होंगे वहां सीसीटीवी और कागजी सबूत द्वारा उन्हें ढूंढना आसान होगा।

Who is kept in this rule? (नियम किस पर लागू होगा?)

- ⇒ If Bizman's monthly turnover is more than ₹50 lakh.

Who is exempted from this rule? (किसे मुक्ति या छूट दी गई?)

- ⇒ [1] Bizman with monthly turnover Not more than ₹50 lakhs
- ⇒ [2] Bizman who has paid more than ₹1 lakh Income Tax in last year [Because Then it is less likely that he will be a GST fraudster, अगर इतना आयकर भरता है तो धोखेबाज तो होने की संभावना कम ही होगी]



⇒ [3] Government companies / Public sector undertakings, statutory bodies etc [सरकारी कंपनियां, वैधानिक निगम इत्यादि]

👉 How/why/what/JamesBond-giri= They will teach you In the IRS training academy. We are not here to Learn exact modus operandi. # 🕒 थोड़ा-पढ़ो-आगे-बढ़ो

20.3 🧑 → 🧑 (🧑 🧑) COMPENSATION TO STATES: HOW?



Parliament enacted GST Compensation to States Act 2017 (राज्यों को मुआवजा अधिनियम)

- ✓ Under its provisions, GST council recommended Union Govt to impose “GST Compensation Cess” (जीएसटी क्षतिपूर्ति उपकर) on specified luxury & demerit goods, like
 - pan masala (60%), tobacco products (cess varies as per product),
 - aerated water & Caffeinated Beverages (12%), coal / lignite (₹400 per tonne),
 - motor vehicles-aircraft-yacht (3-22% depending on type of vehicle).
 - [These rates may change/update, but don't worry about figures. E.g. Passenger vehicles originally 15% cess, but due to slowdown in automobile sector, GST council reduced it to 1-3% depending on type of vehicle.]
- ✓ The cess thus collected is used for compensating States for their revenue losses during the first five years since inception of GST. i.e. 1st July 2017 to 30th June 2022

Table 4: GST Compensation to States Act 2017 (राज्यों को मुआवजा अधिनियम)

Section-7	<p>⇒ It contains formula for compensation: State's Projected Revenue = 14% annual compound growth rate than its 2015's VAT collection (base year). If current year SGST collection is less than Projected Revenue → Union to pay compensation</p> <p>⇒ (राज्य का " अनुमानित राजस्व" उसके 2015 के वेट अनुपात की 14% वार्षिक वृद्धि के साथ की गिना गया। यदि राज्य को एसजीएसटी में उससे कम आमदनी हुई तो उस राज्य को, केंद्र मुआवजा देगा, पहले 5 वर्षों के लिए, जनता पर जीएसटी क्षतिपूर्ति उपकर लागू करके।)</p>
Section-8	<p>⇒ GST Council can recommend extending GST compensation cess beyond the period of five years. (5 साल से के पश्चात भी उपकर जारी रखने की सिफारिश कर सकता है.)</p>

- ✓ Compensation available only for SGST. It is not given to The Union Territory Without Legislature (because they've UTGST e.g. Ladakh)
- ✓ **State Liquor Taxes** are outside GST, so Bihar / Gujarat / Nagaland / Lakshadweep / Parts of Manipur can't ask more ₹ for compensation from GST for having liquor prohibition (मद्य-निषेध).

Year →	2018-19	2019-20	2020-21	2021-22 (Estimated)
GST Compensation Cess प्रतिपूर्ति उपकर	95k cr	98k cr	1.10 Lakh Cr expected but in reality= hardly 84,100cr earned	1 Lakh cr.



20.3.1 🧐🧐🧐 → 🧐(🧐🧐) GST Compensation & Back2Back Loans

- ⇒ Feb 2020: when state govts had presented their budgets in their Vidhan Sabha, for next financial year → they could only estimate the amount of SGST they'll earn between 1/4/2020 to 31/3/2021. फरवरी में तो केवल अनुमान ही लगा सकते थे कि अगले वित्तीय वर्ष में कितनी आमदनी होगी!
- ⇒ So, States had estimated a large/decent collection in SGST for the 2020-21. because, in Feb'2020, Corona yet to fully develop, so States were optimistic. [फरवरी में कोरोनावायरस की गंभीर हानी भारत में आई नहीं, इसलिए राज्य आशावादी थे कि अच्छी आमदनी होगी]
- ⇒ Consequently, ₹97,000 cr SGST compensation estimated for 2020-21, before corona impact.
- ⇒ However, by August-2020, started to become more and more clear that the state is unlikely to earn good amount in SGST. → States lowered their estimates for SGST for 2020-21. (बाद में राज्यों को एहसास हुआ कि कोरोना के चलते तो बहुत ज्यादा आमदनी नहीं होगी 🧐 → तो हमें बहुत ज्यादा बड़ा मुआवजा चाहिए)
- ⇒ So then States started demanding ₹2.35 lakh crore in GST compensation.
- ⇒ Union govt's initial reaction was, "Under the GST compensation Act, we are not legally obliged to pay this large amount (₹2.35lcr) because of unexpected circumstances / 'Act of God' / 'Force Majeure' like Corona. We can only pay the originally estimated amount (₹97kcr)."
- ⇒ However the Attorney General opined that GST Compensation Act does not provide such exceptions; Union ought to pay the entire loss amount ₹2.35lcr. (अटॉर्नी-जनरल का मानना है कि केंद्र ने पूरी रकम देनी चाहिए क्योंकि जीएसटी मुआवजे के कानून में कोरोनावायरस जैसी आपातकालीन चीजों में केंद्र कोई माफी / अपवाद नहीं)
- ⇒ But, corona → sales 📉 → GST compensation cess collection 📉. So, the union offered two options to borrow money for the compensation (क्योंकि जीएसटी में आमदनी वैसे भी कम है, इसलिए केंद्र ने राज्यों को पैसा उधार लेकर मुआवजा चुकाने के विकल्प दिए.....)

20.3.2 🧐🧐🧐 → 🧐(🧐🧐) GST Compensation: 2 Borrowing options

👉 PHD not required because ultimately Union and states agreed for a modified version of option#1. So following table is a stale/obsolete topic. (यह मुद्दा अब फूटा हुआ कारतूस है, ज्यादा ध्यान देने की जरूरत नहीं)

Criteria क्षति पूर्ति के लिए विकल्प →	GST compensation 🔪 Option1	GST compensation 🔪 Option2
How much money can the states borrow?	₹97,000 to ₹1.10 lakh cr	₹2.35 lakh cr
From where do they borrow?	🏦 From RBI, under a special window सीधा रिजर्व बैंक में से ही पैसा उधार लिया जाए	From the Market. (RBI will issue State G-sec to investors to arrange ₹. Technically called "SDL: State development loans")
Interest?	a reasonable interest e.g. may be 7-8% (Numbers only for illustration) किफायती ब्याज दर पे रिजर्व बैंक में से उधारी	Depends on risk factor for investors in market: e.g. Gujarat: 9.5%, .Bengal: 9.94% (Numbers only for illustration.)



Criteria क्षति पूर्ति के लिए विकल्प →	GST compensation ✍️ Option1	GST compensation ✍️ Option2
Who will pay the principal and interest? & how? कर्ज कैसे चुकाएंगे? Will this count in the Fiscal Deficit Limits under FRBM Act?	🎓👤 These technical norms NOT IMP. because they worked out a separate mechanism called back2back loans given in next section.	🎓👤 These technical norms NOT IMP. because it's not accepted. Basically, States had to bear the burden of higher interest rates. ब्याज का बोझ बहुत ज्यादा था
State governments willing to opt for this option?	Majority of the states reluctantly agreed for this amount (approx 97k-1.10 lcr) but they wanted Union to borrow the money (So that interest can be cheaper) → final solution "Back to Back loans"	👤👤 Majority States not willing. इतना ज्यादा रुपया सब राज्यों को अच्छा तो लगता है, लेकिन ब्याज के साथ वापस चुकाने की उनकी क्षमता नहीं इसलिए मना कर दिया। 🙄

GST council is also considering to extend GST compensation cess beyond 2022 to cover it.

20.3.3 🎓👤✍️ [🙄] → ✍️ (🙄🙄) GST compensation: "back to back" loans ₹1.10 lcr

⇒ 2020 October: Union Finance ministry agreed to borrow ₹1.10 lakh from market. Since this amount is close to ₹97000 cr, so it is closer to the option#1. But operational methodology is slightly different than above table:

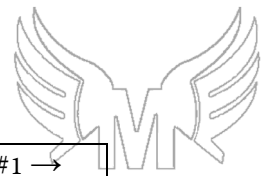
- ⇒ States are not borrowing from market. Union is borrowing from market to help the States.
- ⇒ Union will give this borrowed ₹ as "back to back loans" to state governments. (बैंक टू बैंक स्वरूप में)
- ⇒ In other words whatever ₹ union government has borrowed at 5.19% from market → union will loan it to States at 5.19% (केंद्र ने बाजार से एक हाथ लोन लिया और दूसरे हाथ वही लोन उसी ब्याज दर पर राज्य सरकारों को दे दिया..)
- ⇒ **Interest rate:** 5.19% Bcoz union govt's G-Sec has less risk of default than State govts' G-Sec, so Union can get the loans relatively cheaper from investors. केंद्र सरकार के दिवालियापन की जोखिम कम होती है इसलिए केंद्र को लोन सस्ते में मिल गया। अगर राज्य सरकार स्वयं उधार लेने जाती- चाहे रिजर्व बैंक से- चाहे बाजार से, फिर भी राज्य को 5.19% से तो ज्यादा ही ब्याज चुकाना पड़ता)

⇒ 🕒 **Loan Tenure:** 3-5 years (ऋण अवधि)

⇒ **Repayment:** This principal + Interest will be paid from GST Compensation Cess.

20.3.4 🎓👤✍️ [🙄] → ✍️ (🙄🙄) Back to Back loans: Beneficiary States

States/ UT with Legislature	🎓👤🙄🙄 (Dynamically changing information)
🙄 Undecided	All the 28 states and 3 UTs with legislature decided to go for option.
🙄 Will not get	Some North Eastern State don't have any SGST-shortfall → So they will not get any compensation / back to back loans as per Section-7 formula.



Will get	Remaining States & 3 UT (with legislature) who have opted for option#1 → they will get the money e.g. Andhra, Assam, Bihar, Goa, Gujarat, Haryana, Kerala etc and Union territories of Delhi, Jammu and Kashmir, Puducherry
----------	---

20.3.5 GST Back to Back Loans and Fiscal Deficit / FRBM for States

⇒ Fiscal Responsibility & Budget Management Act, 2003 required Union and States to control their **fiscal deficits** (राजकोषीय उत्तरदायित्व और बजट प्रबंधन अधिनियम के अंतर्गत सरकारों के राजकोषीय घाटे पर नियंत्रण)

- For Union: 3% of GDP (GROSS DOMESTIC PRODUCT: सकल घरेलू उत्पाद)
- For States: 3% of GSDP (GROSS STATE DOMESTIC PRODUCT)

⇒ Atma-Nirbhar = Union offered relaxation to States in their fiscal deficit target limits under FRBM Act. (आत्मनिर्भर भारत पैकेज में केंद्र ने राज्यों को राजकोषीय खाध/घाटा नियंत्रण में थोड़ी छूट/रियायत दी)

⇒ If States opted for the above "back to back loan" offer then the Union will further relax State's FRBM targets (Ref: HDT-Pillar# 2D: FRBM) (अगर राज्य बैंक टू बैंक लोन लेते हैं तो ऊक्त घाटा नियंत्रण में केंद्र उन्हें कुछ और रियायत / छूट देगा, यानी कि वे अतिरिक्त पैसा कर्ज में ले पाएंगे)

20.3.6 Conclusion : GST compensation (निष्कर्ष)

Coronavirus has put unprecedented pressure on the revenue collection of the Union and States. Consequently, the Union is facing challenges in allocating money for welfare schemes to releasing the GST compensation to States. Hopefully, after vaccination, when the economy bounces back, this pressure should subside. (कोरोना के सरकारों के राजस्व आमदनी में भारी कटौती आई है जिसके चलते कल्याणकारी योजना से लेकर जीएसटी मुआवजे तक प्रत्येक स्थान में चुनौतिया, हालांकि टीकाकरण के जब अर्थतंत्र वापस पटरी पर आ जाएगा, तब यह चुनौतिया/ दबाव कम हो जाएंगे)

21 () TAXATION → FINANCE COMMISSION



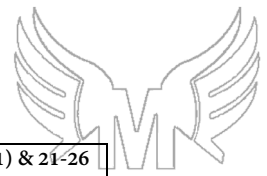
Originally, 15th FC was meant to cover: 1st April, 2020 to 31st March, 2025

But later, Modi Govt ordered it to submit two reports:

- 1) **Report#1:** for 1/Apr/2020 to 31/March/2021 → submitted to President in 2019-Nov, and accepted in 2020-Jan
- 2) **Report#2:** for 1/Apr/2021 to 31/March/2026. Title of report is "“Finance Commission in Covid Times”". Published in 2021-February.

21.1 [] TAX DEVOLUTION AMONG STATES

FC → वित्त आयोग	12th (2005-10)	13th (2010-15)	14th (2015-20)	15th (2020-21) & 21-26
Chairman? (अध्यक्ष)	C.Rangarajan	Vijay Kelkar	VY Reddy	NK Singh



FC → वित्त आयोग	12th (2005-10)	13th (2010-15)	14th (2015-20)	15th (2020-21) & 21-26
States Share	30.5%	32%	42%	41%*

21.1.1 [Icons] Horizontal Devolution Formula

15th FC horizontal distribution formula components (घटक) → (भारंक%) (both in Report#1 and Report#2)	Weight%
Income Distance (आय में अंतर): ⇒ State GSDP divided by its Population = per capita GSDP. ⇒ For most states, Haryana's per capita GSDP is taken as benchmark. How poorer is your state compared to Haryana= more ₹ you'll get.* *	45%
Area (क्षेत्रफल) More area = more ₹	15%
Population (as per Census-2011: आबादी): More population = more ₹	15%
Demographic Performance (जनसांख्यिकीय निष्पादन): States that have Total Fertility Rate (TFR: कुल प्रजनन दर), will get ₹. More in Pill#6	12.5%
Forest and Ecology (वन एवं पारिस्थिकी): More forest= more ₹	10%
Tax Effort (कर प्रयास) : States who've improved their per capita (State) tax collection in the last 3 years = get more ₹	2.5%
Total (कुल)	100%

21.1.2 [Icons] 15th FC: Horizontal devolution: States' share

Table 5: Try to remember 3-5 names in top & bottom each, & your home state.

1) Uttar Pradesh (17.931%)	11) Chhattisgarh (3.418%)	21) Himachal (0.799%)
2) Bihar (10.061%)	12) Gujarat (3.398%)	22) Meghalaya (0.765%)
3) MP (7.886%)	13) Jharkhand (3.313%)	23) Manipur (0.718%)
4) W. Bengal (7.519%)	14) Assam (3.131%)	24) Tripura (0.709%)
5) Maharashtra (6.135%)	15) Telangana (2.133%)	25) Nagaland (0.573%)
6) Rajasthan (5.979%)	16) Kerala (1.943%)	26) Mizoram (0.506%)
7) Odisha (4.629%)	17) Punjab (1.788%)	27) Sikkim (0.388%)
8) Tamil Nadu (4.189%)	18) Arunachal (1.76%)	28) Goa (0.386%)
9) Andhra (4.111%)	19) Uttarakhand (1.104%)	
10) Karnataka (3.646%)	20) Haryana (1.082%)	ANY type of UT = 0% here

21.1.3 [Icons] 15th FC: Horizontal devolution: GRANTS to States

	Type	Report#1 (2020-21)	Report#2 (2021-26)
1)	Local Bodies Grants (स्थानीय निकाय अनुदान)	A) 60cr to Rural B) 30cr to Urban = Total 90k cr	A) 2.##Lcr Rural B) 1.##Lcr Urban =total 4.36Lcr
2)	Post-Devolution Revenue Deficit Grants	74kcr	2.94 Lcr
3)	Disaster Management Grants (आपदा प्रबंधन अनुदान)	A) 12kcr in Union ke Disaster funds	A) 68 kcr in Union ke Disaster funds



	Type	Report#1 (2020-21)	Report#2 (2021-26)
		B) 29kcr in State ke Disaster funds	B) 1.22 Lcr in State ke Disaster funds
4)	Sector Specific Grants: (क्षेत्र-विशिष्ट अनुदान) with Performance-based incentives (निष्पादन-आधारित प्रोत्साहन)	7700cr for Nutrition	>1 lakh crore for (Sectoral grants Health, Education, agricultural reforms, rural roads, Judiciary, Statistics, Aspirational districts)
6)	State specific grants for tourism, historical monuments, infrastructure, water etc.	N/A	49599 cr.
7)	Special Grants: (विशेष अनुदान)	~6700kcr	N/A
8)	Union Govt ke liye Defense and Internal Security Fund	N/A	2.38 Lcr

21.1.4 15th FC: Local Bodies Grants (स्थानीय निकाय अनुदान)

	Description
Rural Local Bodies - given to all three tiers in the panchayats, i.e. village, block and district. And also, for 5 th and 6 th Sch. areas	<p>Out of the total amount:</p> <p>⇒ 50% is Tied Grants (निर्दिष्ट) = meant only for specific objectives 1) sanitation 2) water (स्वच्छता और पानी)</p> <p>⇒ 50% is Untied/basic (प्राथमिक) = can be used for any objective depending on location. Except salary & establishment (building renovation, electricity bill etc.)</p> <p>From 1/4/2021 they'll be required to submit audited accounts online through Panchayati Raj Institutions Accounting Software (PRIAsoft) to Comptroller and Auditor General (CAG: नियंत्रक और महालेखा परीक्षक)</p>
Urban Local Bodies (ULB) & Cantonment boards शहरी स्थानीय निकाय	<p>Divided into two parts:</p> <p>⇒ ₹"X" cr million plus population-walli cities. (Excluding Delhi & Srinagar for being in UT). These grants are mainly to be used for air quality improvement, water & solid waste management (वायु गुणवत्ता में सुधार, जल और ठोस अपशिष्ट प्रबंधन).</p> <p>⇒ ₹"Y" cr for cities with <1million pop: 50% untied (basic) grants + 50% tied for specific objectives 1) drinking water 2) solid waste management.</p> <p>From 1/4/2021, ULBs required to 1) reform property tax rates 2) submit audited accounts to CAG online.</p>



21.1.5 15th FC: Sector Specific Grants (क्षेत्र-विशिष्ट अनुदान)-Malnutrition

- ✓ Report#1 (2020-21): 15th FC only recommended health → Nutrition grant (₹7700+ cr पोषण अनुदान) to combat malnutrition (कुपोषण). Ministry of Women and Child Development (MoWCD): महिला बाल विकास मंत्रालय) will oversee its utilization.
- ✓ Report#2 (2020-21): not mentioned.

21.1.6 15th FC: Sector Specific Grants (क्षेत्र-विशिष्ट अनुदान)-Health

Type	Report#2: (2021-26)	Amount
Local Bodies Grant पंचायती राज/नगरपालिकाओं को प्राथमिक स्वास्थ्य केंद्र को स्वास्थ्य और कल्याण केंद्र में परिवर्तित करने के लिए ट्रक भर के पैसा	(Rural and urban) Local Bodies given ₹ to convert Primary Health centres (PHC) into health and wellness centres (HWCs)	70kcr
Sectoral Grant → Health नाजुक देखभाल के अस्पतालों को बनाने के लिए पैसा	Critical Care hospitals i.e. facilities with Intensive Care Unit (ICU) ventilator, kidney dialysis etc.	15kcr
Sectoral Grant → Health चिकित्सा संलग्न मानव बल की तालीम के लिए पैसे	Training of Allied Healthcare workforce (lab technicians, radiographers, dieticians, Physiotherapist, ASHA Worker etc)	13kcr
Sectoral Grant → Health जिले के अस्पतालों में डॉक्टरी तालीम के कोर्स करवाने के लिए पैसा	State government to run Doctor training courses in district hospital	2kcr
कुल मिलाकर	Total: 70kcr to local bodies + 30kcr as Sectoral Grants	1.06 Lcr = approx. 10% of total grants to Healthcare sector **

** Grants assigned to Healthcare sector are unconditional i.e. not based on performance.

Additional Recommendations by 15th FC on Healthcare

- ⇒ Union and State Government together should spend 2.5% of GDP on Healthcare sector by 2025. (केंद्र और राज्य सरकार ने मिलकर स्वास्थ्य क्षेत्र में सार्वजनिक खर्च को बढ़ाकर जीडीपी के ढाई प्रतिशत तक करना चाहिए)
- ⇒ All-India Services Act, 1951: (presently we've IAS, IPS, Indian Forest Service) → make 4th All India service: "All India Medical and Health Service" → UPSC to conduct recruitment. This will help addressing the shortage of doctor in backward states. आईएएस/आईपीएस की तर्ज पर एक और अखिल भारतीय सेवा बनाई जाए "अखिल भारतीय चिकित्सा एवं स्वास्थ्य सेवा" ताकि पिछड़े राज्यों में डॉक्टरों की कमी को पूरा किया जा सके
- ⇒ Most of the medical colleges and super-speciality hospitals (e.g. Cancer) are concentrated in the Western and Southern parts of India. Union and State government should make efforts to address this. (पश्चिमी/दक्षिणी राज्यों के अलावा वाले विस्तार में भी अच्छी मेडिकल कॉलेज| अस्पताल बनाने पर जोर दिया जाए)



21.1.7 15th FC: Sector Specific Grants (क्षेत्र-विशिष्ट अनुदान)- Others(अन्य)

	Report#2: (2021-26)	Amount
कृषि क्षेत्र में सुधारों के लिए -नीति आयोग द्वारा प्रस्तावित कानूनों को पारित करना, भूजल संवर्धन, तिलहन दाल लकड़ी उत्पादों को प्रोत्साहन, कृषि निर्यात को बढ़ोतरी	Implementation of agricultural reforms e.g. Passing the agricultural formula suggested by Niti Aayog, Groundwater conservation, Improving Oilseed pulses wood products, agricultural export, (Ref: HDT-Pillar#4A)	45kcr
स्वास्थ्य क्षेत्र	Sectoral grants for Health (Learned in previous section) Note: +A) sectoral grant 30k cr + B) separately local bodies given 70kcr= total >1 lakh cr but "Sectoral grants MCQ =count only ₹30k	30k as sectoral grant
ग्रामीण सड़कों की मरम्मत	Maintenance of PMGSY roads (Pradhanmantri Gram Sadak Yojana) (Ref: HDT-Pillar#5-Transport Infrastructure)	27 kcr
न्यायिक सुधार -अतिरिक्त न्यायालय और जजों की नियुक्ति के लिए पैसा- जिसे 5 साल या उससे अधिक विलंबित संपत्तियों के मामलों का निपटारा, बच्चों के यौन शोषण, गंभीर अपराध के मामलों का जल्दी निपटारा	Judiciary: ₹ for Setting of extra courts and judges to finish the the property cases which are pending for 5 years or older, Civil cases of marginalized people, POSCO cases (child sex abuse) & heinous crimes	10 kcr
उच्च शिक्षा में ऑनलाइन पढ़ाई की व्यवस्था तथा चिकित्सा और इंजीनियरिंग के कोर्स को प्रादेशिक भाषा में अनुवादित करने के लिए	Higher Education-For 1) developing online learning 2) translating medical engineering courses in regional languages	6 kcr
स्कूली शिक्षा	School Education	4.8 kcr
	Total	>1 lakh cr

These grants also include internal quota for performance based incentives i.e. Better performing States will be given additional money. (इन सभी अनुदान में कुछ अंदरूनी/आंतरिक कोटा होता है, जिसमें अधिक अच्छा प्रदर्शन करने वाले राज्यों को अधिक रकम मिल सके)

21.1.8 15th FC recommends Defence and Internal Security Fund for Union

For whom?	Union Government (केंद्र सरकार के लिए)
Where?	Public Account of India → Modernisation Fund for Defence and Internal Security (MFDIS: लोक लेखा निधि के अंतर्गत रक्षा तथा आंतरिक सुरक्षा के नवीनीकरण/आधुनिकीकरण के लिए कोष या निधि).
Type	Non-lapsable Fund (The money in such fund will not lapse on 31st March, so it can be used in future without getting another approval from parliament.) बिनव्यपगत निधी
Amount	₹ 2.38 Lcr (total for 2021-26)

Controversy on MFDIS Fund?



- ⇒ Some State governments are unhappy that the 15th finance commission should stick to its Constitutional mandate of giving ₹ to States & not allot to Union. ESLE less money available for State Governments' development works. वित्त आयोग की संवैधानिक जिम्मेदारी है कि राज्यों की तरफ पैसा दे, ना कि केंद्र के हिस्से में पैसा बढ़ाते रहे अन्यथा राज्यों के पास कम पैसा आएगा
- ⇒ Since the fund is marked as a non-lapsable fund → Defence ministry may be very involved in utilising it and the amount will remain on spent. A similar problem is present in "Nirbhaya fund for women safety". (📖 Ref: HDT-Pillar# 2D for more) बिनव्यपगत निधी में पैसा खर्च करने में मंत्रालय सुस्ती ज्यादा दिखाते हैं इसलिए असल में लाभ होता नहीं. भूतकाल में महिला सुरक्षा के लिए बनाए गए निर्भया फंड में ऐसा ही अनुभव रहा है.

21.1.9 📌 15th FC: Other recommendations to Govt (सरकार के लिए अन्य सिफारिशें)

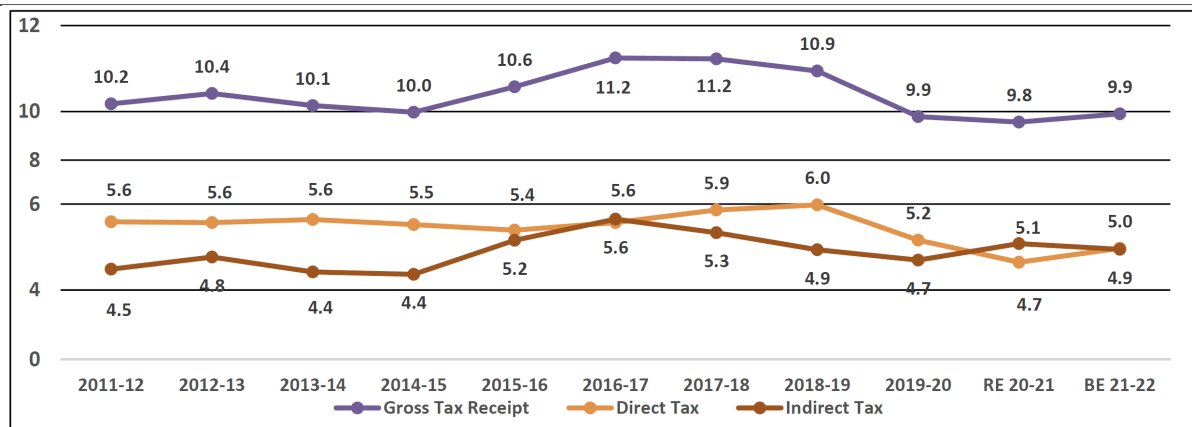
- ⇒ Some States have requested special category status. But it's not part of our mandate/Terms of Reference. So we've nothing to say on this matter. (कुछ राज्य "विशेष श्रेणी का दर्जा" मांग रहे हैं लेकिन राष्ट्रपति महोदय द्वारा हमें दिए गए विचाराधीन विषय में यह मुद्दा है ही नहीं इसलिए हम इस पर कोई टिप्पणी नहीं देंगे).
- ⇒ Reform the taxation system → 📌 tax collection. (प्रत्यक्ष कर प्रणाली में सुधार)
- ⇒ Review the outcomes of all Govt schemes. Merge/abolish non-essential schemes. सभी सरकारी योजनाओं की समीक्षा करें और अनावश्यक योजनाओं को विलीन करें
- ⇒ We need a law on "Public Financial Management System (लोक वित्तीय प्रबंधन प्रणाली)" it'll prescribe the budgeting, accounting, internal control and audit standards to be followed at all levels of government.
- ⇒ Govt should follow FRBM Act with full sincerity in letter and spirit. (More in 📖 Pillar2D: FRBM Section पूरी निष्ठा के साथ एफआरबीएम कानून का पालन जरूरी)

21.1.10 📌 15th FC Report: conclusion (निष्कर्ष)

- ✓ Sustainable Development Goal#10: 📌 inequality within the country. SDG-Goal#16 requires nations to build effective, accountable and inclusive institutions at all levels. सतत विकास लक्ष्य: असमानता को कम करो | लोक प्रशासनके सभी स्तरों में संस्थानों को प्रभावी, जवाबदेह और समावेशी बनाओ
- ✓ In this regard, 15th FC has tried to provide a framework for
- 1) equitable distribution of revenue 2) incentives tied with performance. ऐसा ढांचा जहां 1) कर-वितरण समानता के साथ और 2) प्रोत्साहन प्रदर्शन के हिसाब से मिलेगा
- ✓ It'll greatly help to improve India's human dev+ eco dev. मानव विकास और आर्थिक विकास में मदद



22 TAXATION → BLACK MONEY & ALLIED ISSUES



22.1 TAX: GDP: 15TH FINANCE COMMISSION ON HOW TO IMPROVE IT?

⇒ 40% of the people who filed Income Tax forms in 2019-20 did not pay any income tax. Because either: आयकर का फॉर्म भरने वाले 40% लोग असल में आयकर नहीं जमा करते क्योंकि.

- the taxable income was very low (आयकर योग्य आय बहुत कम है)
- they are hiding / underreporting some of the income (आयकर फॉर्म में कुछ आमदनी को छुपाया जा रहा है)
- because of tax-deduction & tax rebates. (वह विविध प्रकार के टैक्स डिडक्शन, टैक्स रिबेट का लाभ लेकर अपने आयकर दायित्व 0 कर देते हैं)
- So, Government needs to address this. इसलिए व्यवस्था में सुधार जरूरी

Income Tax Rate	Minimum	Maximum	Income Tax Rate	Minimum	Maximum
UK	20	45	Brazil	7.5	27.5
USA	10	40	Japan	5	45
Sweden	20	25	China	3	45
Australia	19	45	India, Indonesia	5	30

⇒ Article 276: Presently Constitution does not allow the state government to demand more than ₹2500 rupees per year as professional tax. Union government should amend the constitution to increase the limit. 14th FC recommended ₹12,000 per year. (राज्य सरकारों को व्यवसाय कर वसूलने की संविधान में जो सीमा दी गई है उसे ढाई हजार से बढ़ाकर 12000 प्रति वर्ष किया जाए)

⇒ Presently GST has four slabs 5-12-18-28. Rationalize it into just three slabs for more efficient administration & relief to taxpayers (जीएसटी की दरों की संख्या को कम किया जाए)

- Merit rate (5%)
- Standard rate (by merging 12-18% slabs into a single figure may be 15-17%)
- Demerit rate (28-30%)

⇒ Govt should ▼ the overreliance on indirect taxes (e.g. raising excise/VAT on petrol-diesel).



Increase the coverage of direct taxes of Union and State. (सरकार ने वित्त प्रबंधन के लिए परोक्ष करो पर अपनी निर्भरता को थोड़ा कम करना चाहिए, प्रत्यक्ष करो का व्याप बढ़ाना चाहिए)

⇒ Expand the scope of TDS/TCS to cover more number of transactions and find the tax evaders. (विविध प्रकार के लेनदेन को टीडीएस/टीसीएस के दायरे में लाया जाए ताकि कर चोरी पर निगरानी रखी जा सके)

22.2 GLOBAL MINIMUM TAX (वैश्विक न्यूनतम कर)

MCDONALD'S ACCUSED OF RE-ROUTING ROYALTY PAYMENTS TO AVOID BILLIONS IN EUROPEAN TAXES





⇒ Tax Haven/Low Tax nations such as Luxembourg (Corporation Tax: 1.39%), British Virgin Island 0.07%, Cayman Islands 0.2 %. These countries are geographically small, & without a viable economy. So they offer such a mechanism to attract foreign investors and foreign tourists. (कर स्वर्ग ऐसे देश हैं जहां पर प्रत्यक्ष करों की दर बहुत कम होती है ताकि विदेशी निवेश और विदेशी पर्यटकों को आकर्षित किया जा सके)

⇒ Multinational corporations register their company here to transfer their profits/avoid paying taxes to normal countries where they are operating. (बहुराष्ट्रीय कंपनियां ऐसे कर स्वर्ग की मदद से कर-परिहार/करो को टालती हैं।)

⇒ India is losing annually \$100 cr, while USA is losing annually \$500 cr by this.

Indian government has done following to combat it:

1. Made laws/rules for General anti avoidance rules (GAAR), Place of effective management (POEM) etc.
2. Reforming the double taxation avoidance agreement (DTAA),
3. Signing Tax Information exchange agreements (TIEA),
4. Ratifying OECD treaty base erosion and profit shifting (BEPS) etc.

USA: Former President Donald Trump  corporation tax from 35% to 21%. New President Joe Biden aims to  it. Biden also urged G20 group of countries to keep minimum level of Corporation taxes of 21%

22.2.1 Global Minimum Tax: G7 Framework

G7 Summit-2021: The theme is 'Build Back Better'. Venue: Cornwall, England. Members: US, UK, France, Germany, Italy, Canada and Japan. Outcome?

⇒ Companies need to pay in the countries where they do business. (कंपनी जिस देश में धंधा व्यापार कर रही है वहां उसने कर देने होंगे)


⇒ G7 framework/agreement for global minimum tax framework of 15%. (बहुराष्ट्रीय कंपनियों पर न्यूनतम 15 प्रतिशत कर/टेक्स)



- ⇒ In the past, countries engaged in a tax-reduction race, to attract FDI investments. This needs to be discouraged. (विदेशी निवेश को आकर्षित करने के चक्कर में अलग अलग देश अपने करो की दरें कम किये जा रहे थे. इस स्पर्धा को रोकना होगा)
- ⇒ Later such treaty may be used for imposing sanction / international lawsuits / arm-twist tax havens to increase their taxes. Then it'll become difficult for companies to avoid paying taxes. (भविष्य में इस प्रकार की संधि द्वारा छूट-भैय्ये कर-स्वर्ग देशों पर प्रतिबंध / दंड/अंतरराष्ट्रीय मुकदमे चलाए जाएंगे। ताकि वे भी अपने करो की दरें बढ़ा दें. अंततः बहुराष्ट्रीय कंपनियों के लिए कर-परिहार मुश्किल होगा।)

22.3 : REFORMS TO REDUCE TAX TERRORISM / HARASSMENT

22.3.1 Dispute Resolution Committee (DRC) in Budget-2021

- ⇒  Budget-2021 Announced to setup this committee under the Income Tax Act (आयकर कानून के अंतर्गत विवाद निपटान समिति)
- ⇒ Anyone with a taxable income up to `50 lakh and disputed income up to `10 lakh shall be eligible to approach the Committee. Committee can reduce, waive any penalty or give immunity from any offence. (गुनाह कबूल कर लो / समझौता करवालो तो कम जुर्माना भरना होगा / जेल नहीं जाना होगा इत्यादि)
- ⇒ It will help the small taxpayers to settle tax matters without going through legal expenses & time wastage in the regular appellate process. (i.e. viz. IT Commissioner (Appeals) → Income Tax Appellate Tribunals (ITAT: आयकर अपीलिय न्यायाधिकरण) → HC → SC) छोटे करदाता का कोर्ट कचहरी में मुकदमें बाजी में समय और पैसे बच जाएगा
- ⇒ It will be a faceless / online Committee to ensure efficiency, transparency and accountability.

22.3.2 : Cash Transaction Limit Relaxed for Corona

- ⇒ Previously, Govt banned cash transactions beyond ₹2 lakh to discourage scope of tax evasion & black money. करचोरी व कालेधन पर रोकथाम के लिए दो लाख से अधिक रकम के नगदी लेनदेन पर प्रतिबंध था.
- ⇒ But coronavirus wave 2.0 = CBDT allowed hospitals to accept cash payments in excess of Rs 2 lakh from patients or relatives. Although hospitals will have to keep a transaction record with PAN/Aadhaar. हालांकि कोरोना महामारी में हॉस्पिटलों को इस मात्रा से अधिक नगदी लेने की छूट दी गयी.
- ⇒ 2021-June: if employer/anyone gave upto Rs.10 lakh money for worker/patient's corona treatment= it'll not be counted as taxable income of that worker/patient

22.3.3 : Faceless interaction between Tax payers and Tax official

Personal interaction between the assessee and Income Tax official = more chances of harassment / bribery. So, Government launched following reforms:

- 1) Cases will be allotted in random **computerized lottery** basis to IT officials without disclosing the name, designation or location of the Officer.



Table 6: कर अधिकारी और करदाता के रूबरू मुलाकात/संपर्क बिना आकलन और अपील कार्रवाई

Year	Scheme	Nodal Body
2019	Faceless Assessment	<ul style="list-style-type: none"> ✓ Example, assessee received a notice about discrepancy in his reported income vs TDS submitted by his banker, then at initial stage assessee need not visit IT-office, simply give clarification in web-portal. (फेसलेस: बिना प्रत्यक्ष/रूबरू मुलाकात के निर्धारण) ✓ National Faceless Assessment Centre (NFAC) in Delhi by senior IRS officer (Indian revenue service) ✓ This centre is the sole point of contact between the Department and the taxpayer
2020	Faceless Appeals Scheme	<ul style="list-style-type: none"> ✓ So, even in appeal stage, assessee need not physically visit IT commissioner / tribunal. It'll be done online. ✓ National Faceless Appeal Centre (NFApC), Delhi headed by senior IRS officer ✓ all Income Tax appeals will be finalised in a faceless manner. Except those related to serious frauds, major tax evasion, sensitive matters, International tax etc. केवल बड़े और संगीन मामलों में ही रूबरू सुनवाई होगी

22.3.4 🏠🏠🏠🏠🏠🏠 Time limit on opening of past cases

	Before	After 📅 Budget-2021
(ordinary) Tax assessment case can be re-opened up to __ years	6 years	3 years (=No need to live in fear for very long time) e.g. mismatch in TDS submitted by buyer/employer vs income tax return form filed by the individual etc. सामान्य किस्म के कर निर्धारण/कर विसंगतियों के मामले सिर्फ पिछले 3 साल तक खोला जा सकता है.
Serious tax fraud case गंभीर कर धोखाधड़ी के मामले	10 years	10 years BUT ONLY IF two conditions are MET ⇒ A) If only the the matter is worth ₹50 lakh or more (=Small taxpayers will be saved from tax terrorism/ harassment) AND ⇒ B) Approval of the Principal Chief Commissioner required

22.4 📄📄📄 TAXPAYERS' CHARTER IN 📅 BUDGET-2020 (करदाताओं का अधिकारपत्र)



ये लो “कागज” पे लिख के अधिकारपत्र देते है की ईमानदार कर-दाता को परेशान नहीं करेंगे, और यदि परेशान किया तो इस नंबर पे फ़रियाद कर देना।



A citizens' charter (नागरिक अधिकारपत्र) is a document of commitments made by a government agency to the citizens in respect of the services being provided to them.



- ⇒ e.g Dept of Post's citizen charter reads, "we'll deliver speed post anywhere in India by 4-5 days
→ ELSE complain online to this website & we'll solve it → if not solved in 90 days then complain to Postmaster General → then to Chief Postmaster General."
- ⇒ Traditionally tax administrations paid limited attention to taxpayer service. पुराने जमाने में/पारंपरिक रूप से कर-अधिकारी "करदाता को अच्छी सेवा देना" अपनी जिम्मेदारी नहीं समझते थे।
- ⇒ However, Modern times → demand for better services to the taxpayers → Govts across the world, started framing charters and bill of rights for the taxpayers. हालांकि आधुनिक विश्व में इस प्रकार के अधिकार पत्र और कानून बनाए गए हैं

1986	UK charters for taxpayers (करदाताओं का अधिकार पत्र) → more updated 2009
1991	✓ 1991: citizen charter system started in UK by PM John Major ✓ 1997: citizen charter introduced in Indian union ministries/departments. (नागरिकों का अधिकार पत्र)
1988	USA Taxpayers' Bill of Rights (करदाताओं के अधिकारों का विधेयक/कानून)
2007	Canadian taxpayers' Bill of Rights
2020	Indian Budget-2020: CBDT will declare a Taxpayers' Charter. So, Tax payer will easily know what services / complaint redressal mechanisms (शिकायत निवारणतंत्र) are available to him= taxpayer's harassment (करदाता का उत्पीड़न)

22.4.1 (Indian) Tax Payers' Charter released in 2020-Aug

It promises following things to taxpayers: करदाताओं को वादा करता है

1. You'll be treated in an impartial, courteous, professional manner. निष्पक्ष, विनम्र और पेशेवर तरीके से व्यवहार
2. You'll be treated/ presumed to be honest, unless there is a reason to believe otherwise. आपको ईमानदार माना जाएगा।
3. We will provide complete and accurate information about rules & complaint mechanism etc a timely fashion. नियम/शिकायत दर्ज कराने सम्बन्धी जानकारी
4. We will collect only correct amount of tax.
5. We will respect your privacy and confidentiality निजता व गोपनीयता का सम्मान
6. We will hold our officers accountable for their wrongful actions. अधिकारियों को गलत कार्यों की सजा देंगे
7. You can appoint a representative / tax lawyer to file replies/complaints/cases on your behalf. मामले दर्ज करने के लिए एक प्रतिनिधि / कर वकील नियुक्त कर सकते हैं।
8. We'll reduce cost of compliance (e.g. number of forms to be filled, photocopies to be submitted etc) अनुपालन की लागत कम करेंगे
9. +many other points but we have sufficient content for 250 words

It expects following things from taxpayers: Be honest, Pay taxes in time, Keep accurate records, be informed, respond to notices in time when notices are given. (करदाताओं से निम्न अपेक्षा करता है की वे ईमानदार रहें, समय में करों का भुगतान करें, सटीक रिकॉर्ड रखें, सूचित रहें, समयसर नोटिस का जवाब दें)



22.4.2 Conclusion: Tax Payers' Charter

Thus, taxpayers' charter will help in building trust between a tax payer and the tax administration while reducing harassment and litigation. (करदाताओं का चार्टर/अधिकारपत्र आने वाले समय में करदाता और कर प्रशासन के बीच विश्वास/सौहार्द बढ़ाने में तथा, उत्पीड़न और मुकदमेबाजी को कम करने में मदद करेगा)

22.5 TAX OMBUDSMAN IN ECONOMIC SURVEY 2021

'Ombud' is a Swedish term and refers to a person who acts as the representative or spokesman of another person. 1809: The institution of Ombudsman was first created in Sweden- to look into citizens grievances (लोकपाल/लोक प्रहरी- नागरिकों की शिकायतों के निवारण के लिए)

Homework: Laxmikant chapter 61 on Lokpal and Lokayukta

22.5.1 Tax ombudsman: Indian experience

2003	Direct Tax Ombudsman In India Started (प्रत्यक्ष करों के लिए कर-लोकप्रहरी/शिकायत निवारण अधिकारी)
2011	Indirect Tax Ombudsman In India Started (अप्रत्यक्ष करों के लिए)
2019	Above posts were abolished (दोनों पदों को समाप्त कर दिया)

22.5.2 problems in previous Ombudsman system (2003-19)?

- ⇒ Above ombudsmen were tax officers, Who were given additional responsibility by the government to inquire into grievances/ complaints against other tax officers. They did not have independence from Senior officers/ministers. There was no separate law to empower them. (वे स्वयं भी कर-अधिकारी थे, कानूनन रूप से कोई सत्ता नहीं दी गई थी, इसलिए अन्य अधिकारियों के खिलाफ निष्पक्ष रूप से जांच या सजा कर नहीं पाते)
- ⇒ They could only settle the complaint through advice/mediation between the citizens and tax officials. (मात्र सलाह/सुलह द्वारा निपटान)
- ⇒ They could only offer a token compensation upto ₹5,000 to victim (पीड़ित को मुआवजे में बहुत मामूली रकम दे पाते) Thus, failed to deliver any result and both the posts were abolished in 2019.

At present, Direct tax/Income Tax assessee can complain to

Mode	Organisation	Challenges?
Physical	Aaykar Sewa Kendras Under Income Tax Department	It falls within the Income Tax Department so difficult to ensure impartiality. (यह इकाइयां आयकर विभाग के अंदर ही है, इसलिए निष्पक्षता मुश्किल)
Online	e-nivaran portal Under Income Tax Department	
Online	CPGRAMS Portals (Central Public Grievance Redress and Monitoring System) Under Ministry of personnel and training.	It looks into Complaints against all types of ministries and departments so long delay in resolution. (सभी मंत्रालयों की सभी किस्म की शिकायतें देखता है इसलिए काफी देरी से जांच होगी)



22.5.3 🏠👤👤👤 Tax Ombudsman: Global experience with Independent

USA, Canada, Australia, Canada, UK, France, Brazil, South Africa etc Countries have separate laws/mechanisms for setting up a tax ombudsman. So they can function independently without undue pressure & without conflict of interest. (e.g. If the tax ombudsman's promotion/salary bonus depends on the whims of IRS officer/Finance Minister then he'll not act impartially.) बिना किसी के दबाव में या बिना किसी हितों के टकराव में निष्पक्ष रूप से अपना कार्य कर सकें ऐसे कानूनी प्रावधान/सुरक्षा दी गई

22.5.4 🏠👤👤👤 Tax Ombudsman: Conclusion / way forward (निष्कर्ष/आगे का रास्ता)

⇒ Tax Terrorism / Non-resolution of tax grievances discourage the taxpayers from being honest in future. This encourages tax evasion, black money and parallel economy.

⇒ International experience suggests a tax ombudsman, with powers to investigate, punish & compensate, is necessary for enforcing taxpayers' charter. (अंतरराष्ट्रीय अनुभव से प्रतीत होता है कि करदाता के अधिकार पत्र का अनुपालन वास्तविक रूप से करने के लिए एक कर-लोक प्रहरी होना चाहिए- जिसके पास जांच, सजा और मुआवजा देने की सत्ता हो)

Need of the hour is to set up this institution through a separate law, punitive powers, so as to ensure its impartiality and independence and effectiveness. (अग्रता क्रम से सरकार ने एक अलग कानून द्वारा इसे बनाना चाहिए ताकि निष्पक्ष स्वतंत्र और प्रभावी रूप से कार्य हो सके.)

22.6 📄📄📄 MOCK MCQs FOR UPSC PRELIMS

1	Following parameters have been given the weightage in the horizontal tax devolution formula of the 15th finance commission. Arrange them in ascending order of weight. (15वें वित्त आयोग के कर अंतरण फॉर्मूले में निम्नलिखित मापदंडों को निर्धारक के रूप में दिया गया है। उन्हें उनके वरीयता के आरोही क्रम में व्यवस्थित करें)
	1. Tax effort (कर प्रयास) 2. Demographic performance (जनसांख्यिकीय प्रदर्शन) 3. Forest and ecology (वन और पारिस्थितिकी) 4. Area (क्षेत्र)
	Answer Codes: A) 2-4-3-1 B) 4-2-3-1 C) 4-2-1-3 D) 1-3-2-4
2	Find correct statements about the recommendations of the 15th finance commission with regards to healthcare sector in India for 2021-26 (2021-26 की समयावधि के लिए भारत में स्वास्थ्य सेवा क्षेत्र के संबंध में 15वें वित्त आयोग की सिफारिशों के बारे में सही कथन प्राप्त करें)
	1. Union and state government should increase the public expenditure on healthcare to 5% of GDP by the year 2025. (केंद्र और राज्य सरकार को वर्ष 2025 तक स्वास्थ्य सेवा पर सार्वजनिक व्यय को सकल घरेलू उत्पाद के 5% तक बढ़ाना चाहिए) 2. Government should create a new all India service named "all India medical and health service". (सरकार को "अखिल भारतीय चिकित्सा और स्वास्थ्य सेवा" नाम से एक नई अखिल भारतीय सेवा बनानी चाहिए) 3. Nearly 10% of the total grant-in-aid have been assigned to health sector. (कुल सहायता अनुदान का लगभग 10% स्वास्थ्य क्षेत्र को आवंटित किया गया है)
	Answer Codes: a) Only 1 and 2 b) Only 2 c) Only 2 and 3 d) All three statements
3	Find correct statements about the Modernisation Fund for Defence and Internal Security (MFDIS). (रक्षा और आंतरिक सुरक्षा के आधुनिकीकरण कोष (एमएफडीआईएस) के बारे में सही कथन प्राप्त करें)
	1. It was first recommended by the NITI Aayog in 2021. (नीति आयोग ने पहली बार 2021 में इसकी सिफारिश की थी) 2. It is proposed to be set up as a non-lapsable fund. (इसे गैर व्यपगत निधि के रूप में स्थापित करने का प्रस्ताव है)







	<p>3. It is proposed to be set up as part of the public account of India. (इसे भारत के सार्वजनिक खाते के हिस्से के रूप में स्थापित करने का प्रस्ताव है)</p> <p>4. Total size of this fund is proposed to be Rs.10 lakh crores for the year 2021-26. (इस कोष की कुल राशि वर्ष 2021-26 के लिए 10 लाख करोड़ रुपये प्रस्तावित है)</p> <p>Answer Codes:</p> <p>a) only 1 and 3 b) only 2 and 3 c) only 1 and 2 and 3 d) only 4</p>
4	<p>Find correct statements about the dispute resolution committee proposed in the budget 2021. (बजट 2021 में प्रस्तावित विवाद समाधान समिति के बारे में सही कथन प्राप्त करें)</p> <p>1. This committee will be set up under the Central Goods and Services tax. (इस समिति का गठन केंद्रीय वस्तु एवं सेवा कर के तहत किया जाएगा)</p> <p>2. This committee is meant for fast tracking the disputes involving large taxpayers with dispute amounts above Rs.10 crores. (यह समिति 10 करोड़ रुपये से अधिक की विवादित राशि वाले करदाताओं से जुड़े विवादों पर तेजीलाने लिए है)</p> <p>3. This Committee can reduce the penalty but cannot waive it completely. (यह समिति जुर्माने को कम तो कर सकती है लेकिन इसे पूरी तरह से माफ नहीं कर सकती)</p> <p>Answer Codes: a) Only 1 and 2 b) Only 2 c) Only 2 and 3 d) None</p>
5	<p>In the budget 2020 which of the following taxes witnessed a shortfall in the revenue collection? (बजट 2020 में निम्नलिखित में से किस कर में राजस्व संग्रह में कमी देखी गई)</p> <p>1. Corporation Tax (निगम कर)</p> <p>2. Income Tax (आयकर)</p> <p>3. Customs Duty (सीमा शुल्क)</p> <p>4. Excise Duty (उत्पाद शुल्क)</p> <p>Answer Codes: a) only 1 and 3 b) only 2 and 4 c) only 1 and 2 and 3 d) All four taxes</p>
6	<p>Budget 2021 has imposed Agriculture Infrastructure and Development Cess (AIDC) on following taxes: (बजट 2021 ने निम्नलिखित करों पर कृषि अवसंरचना और विकास उपकर लगाया है)</p> <p>1. Corporation Tax (निगम कर)</p> <p>2. Income Tax (आयकर)</p> <p>3. Customs Duty on Gold (सोने पर सीमा शुल्क)</p> <p>4. Excise Duty On petrol and diesel (पेट्रोल और डीजल पर उत्पाद शुल्क)</p> <p>Answer Codes: a) only 1 and 3 b) only 3 and 4 c) only 1 and 2 and 3 d) Only 4</p>
7	<p>Arrange the following taxes in decreasing order of estimated collection for the year 2021-22: (वर्ष 2021-22 के अनुमानित संग्रह के घटते क्रम में निम्नलिखित करों को व्यवस्थित करें)</p> <p>1. Goods and services tax (वस्तु एवं सेवा कर)</p> <p>2. Corporation Tax (निगम कर)</p> <p>3. Excise Duty (उत्पाद शुल्क)</p> <p>4. Customs Duty (सीमा शुल्क)</p> <p>Answer Codes :a) 1234 b) 1243 c) 2143 d) 2134</p>
8	<p>In December 2020, Government has notified Quarterly Return filing & Monthly Payment of Taxes (QRMP) in context of _____. (दिसंबर 2020 में सरकार ने _____ के संदर्भ में तिमाही रिटर्न फाइलिंग और करों का मासिक भुगतान के सम्बन्ध में अधिसूचना जारी की है)</p> <p>a) Income Tax assesses who have chosen the new optional slabs. (आयकर निर्धारिता जिन्होंने नए वैकल्पिक स्लैब को चुना है)</p> <p>b) Excise duty on petrol and diesel. (पेट्रोल और डीजल पर उत्पाद शुल्क)</p> <p>c) customs duty on imported crude oil. (आयातित कच्चे तेल पर सीमा शुल्क)</p> <p>d) Goods and Services Tax. (वस्तु एवं सेवा कर)</p>



22.7 MOCK QUESTIONS FOR UPSC MAINS (250 WORDS EACH)

1. (Asked in GSM3-2020) Explain the rationale behind the Goods and Services Tax (Compensation to States) Act of 2017. How has COVID-19 impacted the GST compensation fund and created new federal tensions? (वस्तु एवं सेवा कर (राज्यों को क्षतिपूर्ति) अधिनियम, 2017 के तर्काधार की व्याख्या कीजिए, कोविड-19 ने कैसे वस्तु एवं सेवा कर क्षतिपूर्ति निधि (जी.एस.टी.कॉम्पेन्सेशन फंड) को प्रभावित और नये संघीय तनावों को उत्पन्न किया है?)
2. (Asked in GSM3-2013) Money laundering poses a serious threat to country's economic sovereignty. What steps are required to be taken to control this menace? मनी लॉन्ड्रिंग देश की आर्थिक संप्रभुता के लिए एक गंभीर खतरा है। इस खतरे को नियंत्रित करने के लिए क्या कदम उठाए जाने की आवश्यकता है?
3. Despite being a trillion dollar economy, India's tax to GDP is quite low. Suggest ways to remedy this contrast. ट्रिलियन डॉलर की अर्थव्यवस्था होने के बावजूद, भारत का कर:जीडीपी अनुपात काफी कम। इस विषमता को हल करने के उपाय सुझाए।
4. Discuss the significance of taxpayers charter & tax ombudsman in the tax administration of India. (भारत के कर-प्रबंधन में करदाताओं के अधिकार पत्र और कर-लोकप्रहरी/शिकायत निवारण अधिकारी के महत्व की चर्चा)

22.7.1 To be continued.... Next Handouts

- ⇒ 2A)  Direct Indirect Taxes Uploaded.
- ⇒ 2B)  Black Money, 15th FC Uploaded
- ⇒ 2C)  Subsidies, Salaries, Revenue Expenditure (NEXT TIME)
- ⇒ 2D)  Disinvestment, Deficit, FRBM Act, Counter Cyclical Fiscal Policy etc. (NEXT TIME)

22.8 MRUNAL'S ECONOMY COURSE FOR UPSC PRELIMS & MAINS FROM 15TH JULY

Course Timing (कब होगी क्लास)



- ⇒ Live classes @9PM Night
- ⇒ so even working professionals & home makers can attend
- ⇒ Recording available, if class missed
- ⇒ Access via Mobile, Tablet, Laptop!
- ⇒ Weekly Quiz with RANKING






Course Medium (माध्यम)



- ⇒ Teaching: English + Hindi
- ⇒ PPT & PDF: English. **With important terminologies in Hindi to save time of vernacular medium mains-candidates**

URL

- ⇒  **Coupon Code:** Mrunal.org for 10% discount 
- ⇒  **Registration Link:** <https://unacademy.com/@mrunal.org>