

DEMAND NUMBER 4

POLICY NOTE ON TAX ADMINISTRATION

**TAMIL NADU GENERAL SALES TAX AND OTHER
TAXES AND DUTIES**

INTRODUCTION

The Commercial Taxes Department is the major tax collection department of the State Government. The total revenue collected by the Department in the year 1995-96 was Rs. 5023 crores which formed 70% of the total tax revenue of the State. The Department is headed by the Special Commissioner and Commissioner of Commercial Taxes.

2. The Commercial Taxes Department administers the following Acts:-

- The Tamil Nadu General Sales Tax Act, 1959.
- The Tamil Nadu Additional Sales Tax Act, 1970.
- The Tamil Nadu Sales Tax (Surcharge) Act, 1971.
- The Central Sales Tax Act, 1956.
- The Tamil Nadu Entertainments Tax Act, 1939.
- The Tamil Nadu Local Authorities Finance Act, 1961.
- The Tamil Nadu Betting Tax Act, 1935.
- The Tamil Nadu Tax on Luxuries in Hotels and Lodging Houses Act, 1981.
- The Tamil Nadu Advertisement Tax Act, 1983.
- The Tamil Nadu Tax on Entry of Motor Vehicles into Local Areas Act, 1990.

3. The details of yearwise revenue collection under various Acts administered by the Commercial Taxes Department are given in the statement below:—

TAX RECEIPTS

Minor Heads	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
<i>(Rupees in Crores)</i>						
Sales Tax under TNGST	1322	1570	1843	2112	2507	2967
Additional Tax	297	340	381	443	553	681
Sales Tax Surcharge	135	182	230	263	330	395
Additional Surcharge	25	27	—	—	47	56
Others	—	11	51	—	16	20
General Sales Tax (Sub-total)	1779	2130	2505	2818	3453	4119
Central Sales Tax	276	330	362	393	477	590
Entertainment Tax	70	69	76	82	88	99
Betting Tax	5	5	5	6	5	6
Luxury Tax	17	17	22	28	36	51
Entry Tax	20	25	42	70	105	158
Total Tax Revenue	2167	2576	3012	3397	4164	5023

MAJOR POLICY CHANGES

4. The year 1996-97 has been a significant year for the Commercial Taxes Department. As a major component of the general policy of the Government to have a clean and efficient administration for promoting industrial development and economic growth in Tamil Nadu, a long term taxation policy was outlined in the Budget for 1996-97.

The main objectives of this long term taxation policy are:-

- Rationalisation of the structure of tax rates and slabs to provide greater transparency of tax rates and simplicity in assessment and collection;
- Introduction of more modern systems and procedures of taxation;
- Provision of incentives for industrial development in the State and encouragement for local purchase and local manufacture;
- Relief to a large number of small traders by way of exemptions, compounding, and self assessment procedures;
- Reduction of tax burden on households in respect of commodities of common day-to-day use.

MAJOR CHANGES IN STRUCTURE OF GENERAL SALES TAX

5. In keeping with the objectives of the long term taxation policy enunciated above a major restructuring of the tax rates and systems under Tamil Nadu General Sales Tax has been initiated as detailed below:-

SINGLE POINT TAXATION

6. In keeping with the policy of Government, all commodities (except liquor) which were till recently in the Sixth Schedule (subjected to levy of

tax at both the first and second points of sale) have been brought to the First Schedule under single point taxation.

MERGER OF VARIOUS LEVIES

7. At present the following taxes are levied on sale/purchase of commodities:-

- a) Basic Sales Tax
- b) Surcharge on Sales Tax : Till now levied at 15% on sales tax.
- c) Additional Surcharge : Till now levied at 5% on sales tax.
- d) Additional Sales Tax : Till now levied on assesseees with taxable turnover of over 10 lakhs at a graded rate varying from 1.5% to 3% on the Total Taxable Turnover.

8. The present rationalisation proposal envisages the simplification by:-

(a) Total abolition of Additional Surcharge and Surcharge across the whole state and across all commodities from 17-7-96, which will benefit all the 1.5 lakh assesseees in the State.

(b) Doing away with the Additional Sales Tax for over 99% of the 70,000 assesseees presently paying Additional Sales Tax, by increasing the taxable turnover limit for Additional Sales Tax from Rs.10 lakhs to Rs.100 crores. During the current year those who have taxable turn over of Rs. 10 lakhs to Rs. 100 crores shall pay additional sales tax at the old rates, only upto July, 1996.

During the reply to the debate on the Budget, it was informed that the question of combining the turnover of agents of principals for determining Additional Sales Tax liability would be examined. Action is being taken to bring forward amendments for this purpose. Further more the concession of increased turnover limit for Additional Sales Tax liability will not be applicable to agents or branches of firm whose head office is outside Tamil Nadu. The earlier position will prevail.

(c) Consequent on the abolition of surcharge and Additional surcharge and substantial revision in the turnover limits for Additional Sales Tax, changes in the new basic tax rates have been necessitated. New tax rate as effected in comparison with the old basic rate is shown in the Table below.

Illustratively when the old basic rate is 3%, the effective rate with Surcharge, Additional Surcharge and Additional Sales tax works out to 5.6%. The new rate now is 4% and so on for the other rates.

<i>Current Rate of tax</i>	<i>Actual incidence of tax including Surcharge, Additional Surcharge and Additional Sales Tax</i>	<i>New Rate of Tax</i>
<i>(in percentage)</i>		
1	3	2
3	5.6	4
5	8	8
8	11.6	12 *
12	16.4	16
16	21.2	20

- When reply was given to the Debate on the Budget, the 12% was reduced to 11% from 17-7-96 itself.

In doing this rationalisation, care has been taken that articles of day-to-day use are given relief by way of either exemption or bringing them in the lower rate slab.

MODERN SYSTEMS OF TAXATION AND INCENTIVES TO INDUSTRIES

9. Considerable debate has been going on between State Governments and tax experts on the need for introduction of a more efficient modern

system of taxes. In this connection, it has been suggested that a Value Added Tax (VAT System) should be introduced. A committee under Dr. Raja Chelliah has also given its report in 1994 on this subject and this report has been examined and debated by a Committee of Finance Ministers of different States where Tamil Nadu is also represented. This Committee had recommended:-

- a) Rationalisation and simplification of rate structures
- b) Harmonisation of rates between States
- c) Gradual shift to a VAT system

In keeping with the above guidelines, the following package of measures has now been initiated in Tamil Nadu.

RAW MATERIAL TO INDUSTRIES

10. Presently, the concessional rate under section 3(3) of the Act for purchase of consumables, packing material and labels by a manufacturing unit is 3% but with other levies, the effective rate is 5.6%. This has now been reduced to 3% .

CONCESSION TO PURCHASE OF CAPITAL GOODS

11. The concessional rate of 3% for raw material is presently not available for capital goods. In the current Budget, this concession has been extended to various types of machinery, power pumps, oil engines, furnaces and boilers, generator sets, power factors, shunt capacitors and all associated accessories and spare parts.

CAPITAL GOODS FOR POWER GENERATION

12. The capital goods for power generation purchased from within the State for Government approved power generation projects have also been extended the concessional rate of 3%.

100% EXPORT-ORIENTED UNITS

13. All consumables, packing materials and labels purchased within the State by registered 100% Export Oriented Units and units located in the Madras Export Processing Zone (MEPZ) have been made eligible for full exemption from payment of sales tax.

PURCHASE TAX ON SUGARCANE

14. Purchase tax on sugarcane which is at the basic rate of 11%, the total incidence of which along with other taxes is 14.7%, has been reduced to 8% with a view to encourage the Sugar Industry.

VALUE ADDED TAX

15. A Value Added Tax is being introduced which will be applicable in the first stage on "resellers" whose total turnover is more than Rs.75 lakhs. This envisages the levy of tax on the value addition at the reseller's stage at the time of resale of goods. This will be effective from 1-10-96.

BENEFITS TO SMALL TRADERS

16. The tax reform measures envisage relief to a large number of smaller traders who are presently subjected to very detailed scrutiny of accounts by the assessing officers. The following measures are being undertaken:-

INCREASE IN EXEMPTION

17. The present turnover limit for the purpose of coming into the tax net is Rs.1 lakh. This is being raised to Rs.3 lakhs resulting in over 40,000 assesseees being relieved of the burden of payment of tax.

COMPOUNDING SYSTEM

18. For assesseees whose turnover exceeds Rs.3 lakhs but does not exceed Rs.10 lakhs, a compounding system for payment of sales tax has been introduced.

Exceeding Rs.3 lakhs but not ... 3% of total tum over.
exceeding Rs.5 lakhs

Exceeding Rs.5 lakhs but not .. Rs. 15,000 plus 5% of the
exceeding Rs.10 lakhs turnover in excess of Rs. 5 lakhs

This system will be at the option of the assesseees. It would be enough if such assesseees maintain bills and aggregate accounts relating to purchases, stocks and sales for the total turnover. Detailed commoditywise accounts need not be maintained. Where such assesseees levy tax on the consumer, that tax shall be at the rate specified for the commodity in the respective schedule. Where the total tax collected is more than the compounding amount, the collected amount shall be remitted to Government. The system of compounding is only for the purpose of simplifying the assessment and payment procedures. Details of this would be available in the amended Act.

SELF-ASSESSMENT

19. The scheme of self-assessment is presently available for assesseees whose turnover is less than Rs.5 lakhs. This ceiling has been raised to include Industries and traders with a turnover not exceeding Rs.10 lakhs. The conditions presently applicable are being modified and simplified so that a large number of assesseees can take advantage of the scheme. Under the scheme only 25% of the assesseees will be selected each year for detailed scrutiny. The selection will be done by the Commissioner of Commercial Taxes on a random sample basis using the computer and in this selection local Commercial Taxes Officials would have no individual discretion. In regard to the remaining 75% of the assesseees, assessments will be finalised with reference to the returns submitted by the assesseees. Under this scheme over 70,000 assesseees will stand to benefit and various obstacles faced by small traders will be eliminated. The question of upward revision of the ceiling will also be examined depending on the response to the scheme.

REGISTRATION

20. Traders have represented to Government that it is very difficult for them to renew their registration every year. The Government have considered the request and decided to allow the traders to register for 5 years by paying an amount of Rs.1000. Traders will continue to have the option of renewing registration on an annual basis. The annual registration fee will be Rs. 200.

FURTHER CONCESSIONS

21. With a view to give relief to house-holds, exemption from taxes has been given to the following commodities of day-to-day use:-

1. Pulses and - Gram, Tur Gram, Green Gram, Masurgram, Black Gram, Fox Gram, Kesarigram.
2. Chillies
3. Tamarind
4. Coriander
5. Turmeric
6. Pepper
7. Jaggery
8. Asafoetida
9. Jeera
10. Shikakai
11. Palmyrah Sugar Candy

Besides this, it has been decided to give exemptions to

1. Handmade matches
2. Coconut husk
3. Paddy husk and broken rice
4. Aluminium domestic utensils
5. Silver metti, anklets and waist cords

22. Tax relief is also being granted to the following commodities by bringing them to a lower slab:-

11% TO 4%

Computers and computer peripherals and spares, parched and fried gram, TV Sets, Pea, Pea Gram, Photographic films, paper and chemicals.

11% TO 8%

L.P.G. Gas, Electronic cash register, accounting and tabulating machines, Electronic equipment and electronic goods, Electronic Calculators, Voltage Stabilisers, Timber, Power driven pumps, footwear, arecanut scented nuts including seeval, pressure cooker, dry batteries, dry cells, printing ink, fans, bulbs, tube lights, fittings, chokes and starters, water supply materials, cameras, enlargers and lenses, Brass and copper ware, Audio cassettes and Aluminium articles.

8% TO 4%

Unbranded butter, ghee, biscuits, toffee and chocolates, writing paper and printing paper, computer stationery, LDPE plastic for milk pouches and readymade garments.

4% TO 2%

Flour of Pulses and Grams .

ORGANISATION OF THE DEPARTMENT

23. THE COMMERCIAL TAXES DEPARTMENT FUNCTIONS IN FOUR WINGS:

- Assesment Wing;
- Appellate Wing;
- Enforcement Wing; and
- Audit Wing.

ASSESSMENT WING:

The State has been divided into nine Commercial Taxes Divisions. Each Commercial Tax Division is headed by a Deputy Commissioner of Commercial Taxes. The division has been divided into Commercial Taxes Districts or Commercial Taxes Zones. There are at present 40 Commercial Taxes districts/zones. Each Commercial Taxes district/zone is headed by an Assistant Commissioner of Commercial Taxes.

The Commercial Taxes district/zone consists of several assessment circles. There are 317 assessment circles in the State. Out of these, 6 assessment circles (4 in Madras and 2 in Coimbatore), called 'central assessment circles' are headed by Assistant Commissioners of Commercial Taxes; 226 circles are headed by Commercial Tax Officers and the remaining 85 circles are headed by Deputy Commercial Tax Officers.

With a view to improve administration of assessment circles and for the benefit of traders there is a proposal to bifurcate heavy assessment circles and create new assessment circles. Considering the financial constraints, this year five big assessment circles in Madras, Madurai and Coimbatore Divisions will be bifurcated and 3 new assessment circles will be formed. Further 2 assessment circles headed by Deputy Commercial Tax Officers in Salem and Coimbatore Divisions will be upgraded and headed by Commercial Tax Officers. In order to reduce the work load in 3 assessment circles, the posts of 2 Commercial Tax Officers, 1 Assistant Commercial Tax Officer and 3 Junior Assistants will be created. The additional expenditure involved would be about Rs.21.05 lakhs. Apart from this to improve the efficiency in administration, 4 direct line telephones, plain paper copier and furniture to various offices at an estimated cost of Rs.11.35 lakhs will be sanctioned.

APPELLATE WING:

There are at present 20 Appellate Assistant Commissioners and 2 Appellate Deputy Commissioners working under the overall supervision of

Chairman, Sales Tax Appellate Tribunal, who reviews the progress of disposal of appeals. Government are also reviewing the progress from the administrative point of view.

Appellate Deputy Commissioners hear and dispose the appeals arising out of the assessment orders of Assistant Commissioners of Central Assessment Circles at Madras and Coimbatore.

Appellate Assistant Commissioners hear and dispose of the appeals arising out of the assessment orders of Commercial Tax Officers, Deputy Commercial Tax Officers and Assistant Commercial Tax Officers.

ENFORCEMENT WING:

There are 6 Enforcement Divisions in the State. The Madras-I Enforcement Division is headed by a Joint Commissioner of Commercial Taxes and the other divisions of Madras-II, Madurai, Trichy, Tirunelveli and Coimbatore are headed by Deputy Commissioners.

As the existing Coimbatore Enforcement Division is too unwieldy in area, the proposal of bifurcating the Coimbatore division for the efficient administrative control and form a new Division with Salem as its headquarter is under consideration of Government.

The checkpoints are also under the control of the Joint Commissioner/ Deputy Commissioners (Enforcement). There are roving squads under their control in the enforcement wing to intercept and check the vehicles which do not pass through the checkpoints.

At present, there are 63 Commercial Taxes Checkposts functioning in the State; of which 31 Checkposts are situated on inter-state borders.

With a view to avoid congestion of traffic and quicken the checking of goods vehicles at the checkpoints, two-way Checkposts are being created in a phased manner if the number of vehicles that pass through the checkpoints

exceeds thousand per day. Out of 63 checkpoints, 23 are major checkpoints; of them, Poonamallee, Hosur, K.G.Chavadi, Ranipet, Irumbuliyur, Puzhal, Thoppur and Kaniyur are two-way checkpoints.

For checking goods vehicles plying through diversion routes avoiding checkpoints, two roving squads will be formed in Karur and Madurai (Enforcement) Wings. A Bill Trading Prevention Squad will also be formed in Salem Enforcement Wing to check evasion of tax through bogus bills.

During the current year a review of the functioning of the checkpoints will be undertaken, particularly intra state checkpoints, with a view to reduce the number of checkpoints.

AUDIT WING:

The internal audit wing audits and detects errors and omissions in the assessment and collection of tax so as to rectify the same at the earliest, prior to Accountant General's audit. There are 41 internal audit parties functioning in the State at present. The internal audit programmes are drawn up by the Territorial Deputy Commissioner concerned. At the Head Office, reports received from the Accountant General are attended to by a separate Cell supervised by the Joint Commissioner (Audit) under the control of Commissioner of Commercial Taxes. During each quarter, the audit parties take up the audit of assessment and collection made for the previous quarter. Action on the internal audit reports are pursued by the Assistant Commissioners (Territorial) till they are settled. Important paras and issues raised by both internal audit parties and Accountant General's audit parties are watched and dealt with by the Audit Cell in the Office of the Commissioner of Commercial Taxes. To improve the efficiency of the internal audit parties, periodic reviews are made to assess their performance. Latest Court decisions and clarifications are communicated to the audit parties by way of circulars and bulletins issued by the Commissioner of Commercial Taxes.

Constitution of Tamil Nadu Taxation Special Tribunal

24. In order to ensure speedy disposal of tax cases that would result in realisation of huge tax amount due to the State Government, Government have constituted a Taxation Special Tribunal. The Special Tribunal deals with cases that were hitherto dealt with by the High Court. To start with, the Special Tribunal deals with the cases under the Tamil Nadu General Sales Tax Act, 1959; Tamil Nadu Additional Sales Tax Act, 1970; and Tamil Nadu Sales Tax (Surcharge) Act, 1971. The Tamil Nadu Taxation Special Tribunal started functioning from 1.1.96.

BUILDINGS

25. It is the policy of the Government to eventually have all offices of the Commercial Taxes Department located in Government buildings in a phased manner. At present, the offices of all the Deputy Commissioners except Deputy Commissioner (Commercial Taxes) - Appeals, Madras are located in Government buildings. Similarly the offices of all the Assistant Commissioners except six Assistant Commissioners are located in Government buildings. The offices of thirteen Appellate Assistant Commissioners are functioning in Government buildings, while seven offices of Appellate Assistant Commissioners and one office of the Appellate Deputy Commissioner are functioning in private buildings at Madras. Out of the 367 other offices, 134 are located in Government buildings and 233 are functioning in private buildings. In respect of these offices and checkposts, Government buildings will be constructed in a phased manner after acquiring suitable lands.

COMMERCIAL TAXES STAFF TRAINING INSTITUTE

26. In order to improve managerial efficiency and upgrade the quality of personnel, the Commercial Taxes Staff Training Institute, was established in 1982. It imparts training to the officials of the Commercial Taxes Department. The Institute has a teaching faculty headed by a Deputy Commissioner of Commercial Taxes, assisted by Two Assistant

Commissioners of Commercial Taxes and one Commercial Tax Officer. The Institute runs refresher courses to officers in the cadre of Assistant Commercial Tax Officer, Deputy Commercial Tax Officer and Commercial Tax Officer. The Institute arranges for guest lectures on special topics relevant to tax administration by eminent personalities in the respective fields of specialisation. During the year 1995-96, 70 officers in the cadre of Deputy Commercial Tax Officers and 46 officers in the cadre of Assistant Commercial Tax Officers were trained in the Institute.

To ensure that the data are sent by the officers in a meaningful appropriate format for computerisation, computer awareness and appreciation is needed. Therefore, for the officers of the department at the level of Assistant Commissioners and below, computer based training courses are conducted by the Commercial Taxes Staff Training Institute.

COMPUTER CENTRE

27. The Commercial Taxes Department has established a Computer Centre to facilitate collection, storage, processing and retrieval of information in order to improve the efficiency of tax administration and policy planning.

The compilation of commoditywise turnover and revenue information based on the monthly A1 returns filed by assesses under the Tamil Nadu General Sales Tax Act, 1959 was completed and outputs processed for the year 1994-95. These outputs were useful in evolving taxation measures.

Besides the above, checkpost data for select commodities collected from the Commercial Taxes checkposts have been processed for the quarters ending December 1994, March 1995, June 1995, September 1995 and December 1995. These outputs were utilised by the Enforcement Wing for checking tax evasion. Updating of 'Dealers Directory' as on 1.4.95 was also done.

It is also proposed to establish computer systems in the Deputy Commissioners' Offices at Vellore, Salem and Tirunelveli and in the Assistant Commissioner's Offices at the Commercial Taxes Districts in the

next phase of expansion at a cost of Rs.10 crores. Computers will be supplied to all administrative officer. The data of all registered dealers, top assesseees paying high amount of tax, their sales turnover reported in monthly returns, bills and documents collected at the checkposts, revenue derived from various commodities, decisions of Supreme Court, High Courts and Tribunals, etc., will be computerised. This will help the Department to get vital information at the shortest time, to plan reforms and restructuring of tax rates, identify areas of tax evasion, streamline and tone up administration. The bio-data and performance of the officers in the Department will also be computerised for better utilisation of the services of competent officers and improve the administrative efficiency of the Department. A post of Deputy Commissioner will be created and designated as Deputy Commissioner (Computer Centre) and he will head the Computer System of the Commercial Taxes Department.

Besides the above, it is proposed that in the current year, a comprehensive study will be undertaken on the computerisation and Management Information System requirements to the Department keeping in view the major structural changes in taxation system that has been introduced. Based on this report, a phased programme of the total computerisation of the Department will be undertaken.

TRADERS WELFARE BOARD

28. The Traders Welfare Board was constituted by the Government in the year 1989 to extend assistance to traders. The Board is chaired by the Chief Minister. The Board consists of officials and non-officials as Members. The total number of life members as on 31.3.96 is 29118. A sum of Rs. 35.48 lakhs has been collected from them as enrolment fee. Govt. have sanctioned a grant of Rs. 2 crores in the year 1989. The Board is now rendering assistance to the traders as below:-

I. Members who do not have taxable income under the Income Tax Act are entitled to the following assistance:

a) A sum of Rs.25,000 for heart surgery and Kidney transplant surgery on the strength of medical certificate.

b) If a member who is the bread earner of the family dies, his family is entitled to a family benefit fund of Rs.50,000.

c) To complete the education of children of economically weaker members, a sum of Rs.2,000 per annum till the completion of Polytechnic College or other equivalent education, a sum of Rs.2,000 per annum till the completion of Post Graduate education or professional or equivalent courses.

d) A tri-cycle for a physically handicapped member or one of his members of the family who is handicapped.

II. Members including those who are paying income-tax are entitled to cover under the following schemes.

a) Cash prizes for students scoring first marks in 10th Standard and 12th Standard as below:

(i) Students scoring first mark Rs.5,000

(ii) Students scoring second mark Rs.3,000

(iii) Students scoring third mark Rs.2,000

b) Children of members participating in sports competition will be awarded cash prizes as below:

(i) For winning in international level competitions Rs.25,000

(ii) For winning in national level competitions Rs.10,000

(iii) For winning in State level competitions Rs. 5,000

GRIEVANCES CELL

29. A Grievances Cell was constituted in the year 1984 to provide a forum for traders to represent their grievances. The cell is headed by the Joint Commissioner (Administration) as Chairman and Joint Commissioner (Public Relation) and Assistant Commissioner (Commercial Taxes - II) as members.

SALES TAX ADVISORY COMMITTEE

30. With a view to provide a forum for exchange of views and to get feed back from the traders on sales tax administration, Sales Tax Advisory Committees have been constituted by the Government at the State and District levels. The District Advisory Committees are headed by the respective District Collectors and they consist of non-official members representing Chambers of Commerce, Trade Associations, Co-operative and Agriculture Institutions in addition to the Official Members. The Committee discussed various problems pertaining to the administrations of Sales Tax Acts and Rules. The deliberations of the Committees and suggestions made by them are taken note of for improving the administration and in dealing with the problems faced by the trading community.

GRANTS TO CIVIC BODIES OUT OF SURCHARGE AND ENTERTAINMENTS TAX COLLECTIONS

31. In order to augment the resources of the local bodies, 50 per cent of the total collection of surcharge on sales tax every year within the city limit of Madras is assigned and paid to the Corporation of Madras as grant. 20 per cent of total collection of surcharge on sales tax every year within the limits of Madurai and Coimbatore Corporation, Special Grade Municipalities, other Municipalities and Town Panchayats is assigned and paid to the respective civic bodies as grants on a population basis. Similarly while 70 per cent of the Entertainments Tax collected is assigned to the Corporations and Special Grade Municipalities, 65 per cent of the Entertainments Tax collected is assigned to the Selection Grade

Municipalities, First Grade Municipalities, Panchayat towns and 60 per cent is assigned to other local bodies.

SALES TAX INCENTIVES TO INDUSTRIES - DEFERRAL OF SALES TAX

32. As a measure of encouraging the growth of Industries in the State, Government have been granting waiver of Sales Tax payable by new Industries located in the most backward taluks and interest free deferral of Sales Tax to new Industries/ expansion of Industries / Sick Units / Sick Textile Mills in the State. The amount of Sales Tax deferred in 1995-96 upto 31.03.96 is Rs.191.31 crores.

STREAMLINING AND TAX REFORMS

33. The department is taking efforts for streamlining and simplification of procedures and forms for the benefit of industry and the business community. The representations of Traders and their Associations will be considered sympathetically keeping in view the rulings of Courts, the taxation policy of Government and the practices followed in other States. There will be transparency in administration and the genuine grievances of the dealers will be redressed expeditiously. The areas in which systematic and large scale evasion are resorted to will be identified and inspection and raids conducted to detect such evasion. Loopholes, if any in the statute will be plugged to curb evasion. By sustained effort to improve the administration and enforcement of the tax laws, mobilisation of tax revenues will be improved.

M. KARUNANIDHI
Chief Minister