

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 18th August, 2017.

PRESS RELEASE

Clarification regarding number of Taxpayers added after Demonetization

Various news reports/articles have appeared in the media regarding inconsistency in the estimates of the number of taxpayers added after demonetization. It has been commented that the following different figures have been given at different forums by different authorities:

- (i) The Prime Minister mentioned in his Independence Day speech that additional 56 lakh people filed Personal Income Tax Returns from 1st April to 5th August, 2017. Last year for the same period, the figure was 22 lakh.
- (ii) The Economic Survey Vol.2 released on August 12, 2017 mentions that 5.4 lakh new taxpayers were added post demonetization.
- (iii) On May 17, 2017, the Finance Minister stated that 91 lakh taxpayers have been added to the tax net as a result of action taken by the Income Tax Department.
- (iv) In reply to Unstarred Question No. 2017 in Rajya Sabha on 01.08.2017, it was stated that 33 lakh new taxpayers have been added to the tax net post demonetization.

It is clarified that there is no inconsistency in the data provided by the Government in the statements referred to above as these are in different contexts and for different time periods. The detailed clarification on each of the above numbers is as under:

- (a) The Prime Minister's speech referred to the increase in number of e-filed Personal Income Tax Returns (ITRs) filed from 1st April, 2017 to 5th August, 2017 over the ITRs filed in corresponding period of earlier years. The data maintained by the IT Department shows that during 1st April, 2017 to 5th August, 2017, 2.79 crore e-returns of Individual taxpayers were received as against 2.23 crore e-returns received during 1st April, 2016 to 5th August, 2016. Thus, the additional ITRs received in 2017 works out to be **56 lakh**. During the same period of 2016, 2.00 crore e-returns were received, meaning thereby, that in 2016, only **22 lakh** (rounded off) additional e-returns were received by the due date of filing. This

data has already been put in public domain by CBDT's Press Release dated 7th August, 2017.

(b) The analysis given in Table-6 on page 22 of the Economic Survey (Vol.2) is based on the data for the period of 9th November to 31st March of 2016-17 and corresponding periods of last two financial years. Moreover, the growth in the number of taxpayers discussed in the Economic Survey is based on the number of new taxpayers assuming the previous year's growth rate as the reference growth rate. On the other hand, the growth of Individual return-filers referred to in PM's speech is with respect to new as well as old taxpayers. Thus, the data used in Economic Survey is different from data referred to in PM's speech in respect of the period of filing as well as the type of taxpayers and the two are not comparable.

(c) The statement of the Finance Minister regarding addition of 91 lakh taxpayers to the tax-base referred to the total number of new returns filed during the entire financial year 2016-17 and therefore, it is neither comparable to the data in PM's speech nor with the data in Economic Survey (different period and different type of taxpayers).

(d) The reply to Unstarred Question No. 2017 in Rajya Sabha on 01.08.2017 mentioned that during 09.11.2016 to 31.03.2017 the number of ITRs filed was 1.96 crore as against 1.63 crore filed during the corresponding period of last financial year (2015-16). Therefore, number of additional returns filed during this period works out to be 33 lakh. However, this data cannot be compared with the other data mentioned above. The data referred to in Economic Survey is with regard to new taxpayers or first-time return filers only whereas the data provided in the Rajya Sabha Question was in respect of all returns filed.

From the 1st of April to 5th August, 2017, 2.79 crore returns have been filed by Individual taxpayers as against 2.23 crore returns filed during corresponding period of last year. The number is expected to further rise significantly as many more taxpayers are still to file their returns.

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