

[23 May, 2006]

RAJYA SABHA

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) There is no formal estimate of the amount of black money presently in the country. As such the percentage of GDP in black money cannot be quantified.

(b) In the absence of any estimate of black money presently in the country, the revenue that could be generated by taxing the black money is not quantifiable.

(c) and (d) The government is continuously taking several steps in order to unearth black money and combat tax evasion. These include, *inter-alia*, undertaking searches and seizures, surveys, enquiries and scrutiny of Income tax returns in appropriate cases. Further, by the Finance Act, 2005, the Government have introduced two additional anti-tax evasion measures, namely, levy of Banking Cash Transaction Tax to establish the trail of large cash withdrawals through banking channels and furnishing of quarterly returns by banks in respect of deposits that are exempt from TDS on interest.

#### **Uniformity in VAT rates**

3985. SHRI MANOHAR GAJANAN JOSH!: Will the Minister of FINANCE be pleased to state:

(a) whether VAT rates are not uniform in all States even after 10 months after their implementation;

(b) if so, the reasons therefore; and

(c) the action taken to bring uniformity in VAT rates?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The State VAT, being a tax on sale on purchase of goods within a State, is a State subject by virtue of Entry 54 of State List of the Constitution of India. An Empowered Committee on State Finance Ministers (EC) has been constituted to deliberate upon and decide all matters concerning State VAT. The EC has decided the design of VAT (including the structure of rates of tax on various commodities) under the State VAT. The EC has decided a uniform tax structure to be adopted by the States under VAT. This consists of two main rates of 4% and 12.5%, besides the special rate of 1% for a few

items, a tax-exempt category for a small number of items and a floor rate of 20% for items outside VAT. However, some variations in rates from State to State may exist due to the following decisions of the EC:

- (i) The EC has permitted each State to exempt 10 items of goods of local importance' from VAT. This list varies from State to State.
- (ii) The EC has permitted each State to notify its own list of industrial inputs (depending on the nature of usage of the item in the State concerned) which will be subject to the lower rate of 4%. Similarly, each State is to notify the list of capital goods, which are similarly subject to 4% tax rate.

Further, while the EC approved VAT rate structure has been broadly adopted by the States, it is also a fact that some States have deviated from this rate structure in respect of some of the items. The EC is closely monitoring the position in order to ensure that all the States comply with the EC approved tax rate structure. However, VAT being a State subject, it is entirely for the EC and the respective States to take appropriate action in this regard.

#### **Training of Bank employees**

3986. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any training facilities for the Public Sector Bank employees for increasing awareness of upcoming New Age Computing Banking Technology and most importantly Security of Information Assets, Cyber Laws etc.; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE {SHRI PAWAN KUMAR BANSAL}: (a) and (b) All the major public sector banks have got their own training establishments complete with all necessary infrastructure to cater to the training needs of their employees. Besides this, training establishments like College of Agricultural Banking, Pune, Bankers' Training College, Mumbai, National Institute of Bank Management, Pune etc. conduct round-the-year training programmes on contemporary topics, for the employees/officers of the banks, where