(2090)

8 TAX REDUCTION

IN ORDER TO STIMULATE PRODUCTION REALISTIC MEASURES ARE REQUIRED.

BASICALLY, THERE ARE TWO :-

i. A DRASTIC REDUCTION IN THE LEVEL OF TAXATION ON INDIVIDUALS AND CORPORATIONS

THIS SHOULD BE LINKED UP TO A SCHEME TO ENCOURAGE INVESTMENT OR THE PLOUGHING BACK OF PROFITS SO THAT INCREASING PURCHASING POWER IN THE HANDS OF THE PUBLIC IS PUT TO PRODUCTIVE USE.

THE REDUCTION OF INCOME TAX FROM 98% TO 77% ON INDIVIDUALS IN THE 1974-75 UNION BUDGET IS A STEP IN THE RIGHT DIRECTION.

ii. RAISING THE EXEMPTION LIMIT OF INCOME TAX FROM RS. 6,000 TO AT LEAST RS. 15,000.

THE ECONOMIC GROUNDS FOR THIS ARE:

a. *THE VALUE OF THE RUPEE HAS DEPRECIATED.* depreciated

b. *MONEY IN THE HANDS OF THE FIXED INCOME GROUP WILL GO FOR A BETTER LIFE TO THEIR CHILDREN.*

c. *RELEASE THE TIME AND ENERGIES OF INCOME TAX DEPARTMENT FROM PROCESSING LARGE NUMBERS OF SMALL ASSESSEES AND MAKE IT CONCENTRATE MORE ON BIG CASES.*

d. *REDUCE THE COST OF TAX COLLECTION WHICH, AT THE LOWER LEVELS IS MUCH MORE THAN THE TAX COLLECTED.*

9 AND FINALLY, MINIMUM CONTROLS.

CONTROLS MUST GO.
IN THEIR PLACE, REGULATIONS MUST BE INSTALLED.