

Direct Tax Code on Income Tax

While presenting the Union Budget for 2009-10, the Hon'ble Finance Minister had stated that tax reform is a process and not an event. He had also promised to pursue structural changes in direct taxes by releasing the new Direct Tax Code within the next 45 days for public debate. The Hon'ble Finance Minister released the draft Direct Taxes code along with a Discussion paper on 12th August 2009 and has fulfilled his promise. The thrust of the Code is to improve the efficiency and equity of tax system by eliminating distortions in the tax structure, introducing moderate levels of taxation and expanding the tax base. This is an attempt to simplify the language to enable better comprehension and remove ambiguity to foster voluntary compliance. In his endeavour to build a consensus and finalise the Draft Code, Hon'ble Finance Minister has invited valuable suggestions from the public. It would be in the interest of the CA fraternity to offer their valuable suggestions as they are largely involved in the tax matters in the discharge of their day-to-day professional activities and are aware of the problems and complexities in the present tax structure.