



A STUDY ON CORPORATE TAX COLLECTION IN INDIA

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Abstract

The most important revenue for the country is taxes. It plays the crucial role for most of the country's economy in the world, therefore corporate companies are the cornerstone for India. This paper based on secondary data and examined top corporate tax payers from F.Y in 2022-2023 and past 4 years tax performance, Also the past 5 years revenue collected from corporate companies in India .

Keywords: corporate tax, revenue, tax payers, tax collection etc.

Introduction

The Indian corporate tax system is crucial component of the country's fiscal framework, to regulate and collect taxes from business operating within its authority corporate taxes are governed by the income tax act, those corporate in India are subjected to pay income tax on their profits. The concept revolves around taxing the profits generated by the corporates. The corporate tax system is structured to encourage certain industries, incentivize research and development, and foster competitiveness, the applicable tax rates may vary based on factors such as the type of company, income levels, and any available exemptions or incentives.

Review of Literature

Samiksha Agarwal and Lekha S. Chakraborty (October 2017)The paper attempts to measure the incidence of corporate income tax in India under a general equilibrium setting. Using seemingly uncorrelated regression coefficients and dynamic panel estimates, we tried to analyze both the relative burden of corporate tax borne by capital and labor and the efficiency effects of corporate income tax. The data for the study is compiled from corporate firms listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE) for the period 2000–15.

Dr. Priyabrata Panda, Dr. Kishore Kumar Das & Prof. Malay Kumar Mohanty (December 2020) This paper based on The Direct Tax regime has witnessed many changes every year since its inception. The proposed change or reform in tax policy has manifold objectives. The impact of such reform should be judged in regard to its contribution to government treasury which is the primary purpose of tax reform. This research work dissects the impact of direct tax policy reform, direct tax administrative reform and economic policy reform on direct tax revenue and total revenue.

Mr. Anshu Duhoon and Mohinder Singh (June 2023) The study assists the researchers by providing a brief overview of tax avoidance behavior, for corporates in understanding the implications of tax avoidance, and for policymakers to fix the taxation loopholes and bring necessary tax reforms. Tax management behavior is evident in the literature on corporate tax avoidance. This paper aims to illustrate the multiple aspects that influence the tax avoidance behavior of corporations and its impacts through the systematic review method.

CORPORATE TAX IN INDIA

Companies registered under the companies act 1956, both public and private enterprises, are charged with this tax. Presently, domestic companies are taxed at a rate of 25 % if the income range up to 400 crore and 30% if the income more than 400 crore.

Add surcharges	Additional charges
7% if the income ranges from 1 crore to 10 crore.	4% of health and educational cess
12% if the income more than 10 crore	
This is the current corporate tax rate for the corporate companies in India.	

Objectives of the study

- 1) To examine the amount of revenue collection from corporate companies in past 5 years from F.Y 2018-2019 to F.Y 2022-2023
- 2) To examine the top 10 tax payers from F.Y in 2022-2023 and their past 4 years tax performance in India

SOURCE OF THE DATA

The data used in the study is secondary data. Information related to corporate tax paid by top 10 companies and their past 5 years from F.Y 2018-2019 to F.Y 2022-2023 tax records. Those tax rates are taken from money control, screener websites for past five years

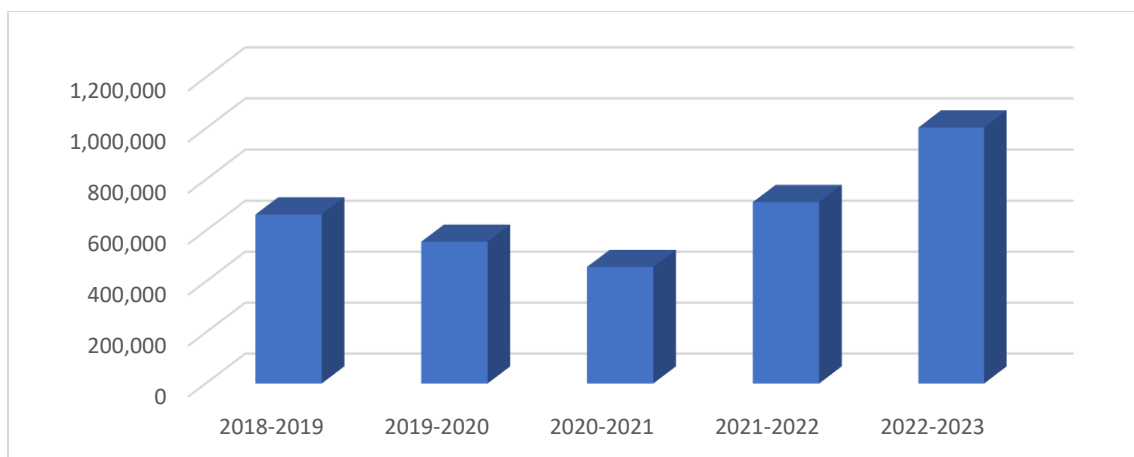
TOOLS USED

- (a) Mean (b) Median (c) Standard deviation (d) Coefficient variation

THE AMOUNT OF REVENUE COLLECTION FROM CORPORATE COMPANIES IN PAST 5 YEARS FROM F.Y 2018-2019 TO F.Y 2022-2023

YEAR	AMOUNT (Rs.)
2018-2019	6,63,572 cr.
2019-2020	5,56,876 cr.
2020-2021	4,57,719 cr.
2021-2022	7,12,037 cr.
2022-2023	10,04,118 cr.

Sources: Union Finance Accounts of respective years and reports of C&AG/Receipt Budget*Pr.CCA, CBDT.

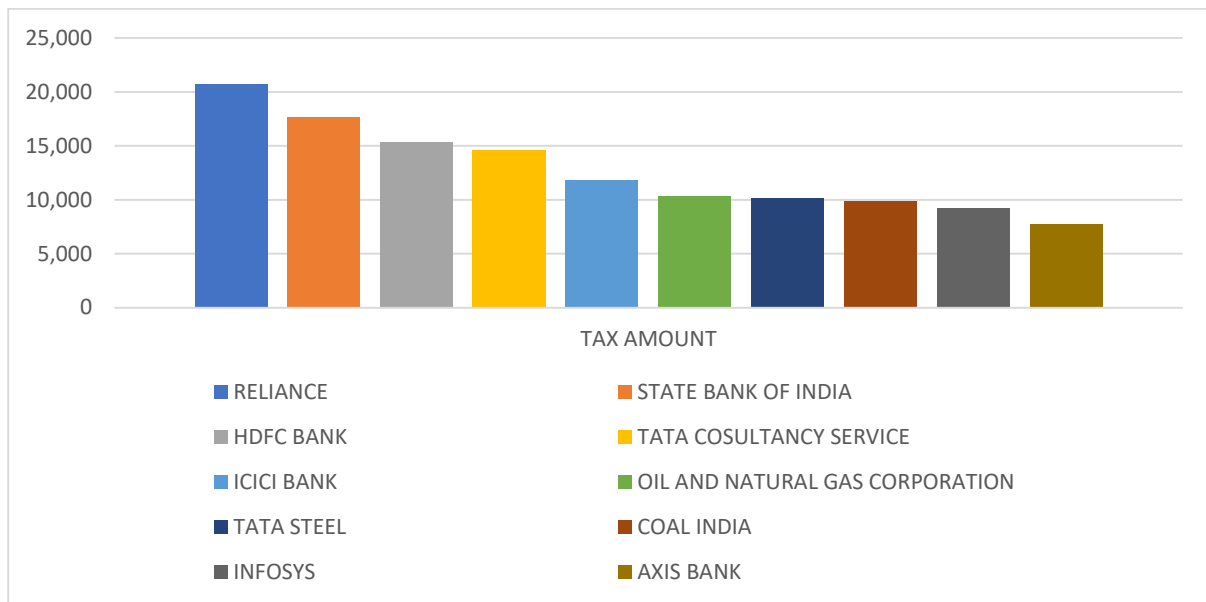


According to the past five years data highest tax collected in the year 2022-2023 more than Rs. 10 crores. In 2020-2021 tax collected from corporate company recorded as lowest because of COVID-19 impact. Tax revenue is increasing which is good for country's economic growth.

THE TOP 10 TAX PAYERS FROM F.Y IN 2022-2023 AND THEIR PAST 4 YEARS TAX PERFORMANCE IN INDIA.

COMPANY	TAX AMOUNT (Rs.)
RELIANCE	20,713 cr.
STATE BANK OF INDIA	17,649 cr.
HDFC BANK	15,350 cr.
TATA COSULTANCY SERVICE	14,604 cr.
ICICI BANK	11,793 cr.
OIL AND NATURAL GAS CORPORATION	10,273 cr.
TATA STEEL	10,160 cr.
COAL INDIA	9,876 cr.
INFOSYS	9,214 cr.
AXIS BANK	7,703 cr.

Sources: <http://www.moneycontrol.com>



According to the data **Reliance** contributed more than **20,000 cr.** Takes a first place in corporate tax payers followed by **state bank of India and HDFC bank in second and third place.** Totally four bank sectors in top 10 position of corporate tax payers list. Because banking sector are highly developed many online facilities in recent years which useful for the people that is the main reason for the growth of banks economy.

COMPANIES	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
RELIANCE	20,713 cr.	16,297 cr.	1,722 cr.	13,726 cr.	15,390 cr.
SBI	17,649 cr.	0	0	11,874 cr.	2,151 cr.
HDFC BANK	15,350 cr.	13,238 cr.	11,198 cr.	9,801 cr.	10,001 cr.
TCS	14,604 cr.	12,722 cr.	10,939 cr.	10,898 cr.	11,872 cr.
ICICI BANK	11,793 cr.	8,457 cr.	5,664 cr.	7,363 cr.	1,719 cr.
ONGC	10,273 cr.	4,797 cr.	8,766 cr.	7,506 cr.	20,880 cr.
TATA STEEL	10,160 cr.	8,477 cr.	5,653 cr.	-2,552 cr.	6,718 cr.
COAL INDIA	9,876 cr.	6,237 cr.	5,307 cr.	7,370 cr.	9,662 cr.
INFOSYS	9,214 cr.	7,964 cr.	7,205 cr.	5,368 cr.	5,631 cr.
AXIS BANK	7,703 cr.	4,765 cr.	2,497 cr.	3,401 cr.	2,544 cr.

Sources: <http://www.moneycontrol.com>

COMPANIES	SUM	Mean	Median	Standard deviation	Coefficient variation
RELIANCE	67,848	13,570	15,390	7109.339	52.390
SBI	31,674	6,335	2,151	8007.144	126.39
HDFC BANK	59,588	11,918	11,198	2355.632	19.765
TCS	61,035	12,207	11,872	1536.584	12.587
ICICI BANK	34,996	6,999	7,363	3704.771	52.932
ONGC	52,222	10,444	8,766	6169.997	59.07
TATA STEEL	28,456	5,691	6,718	4917.748	86.412
COAL INDIA	38,452	7,690	7,370	2034.679	26.458
INFOSYS	35,382	7,076	7,205	1611.018	22.76
AXIS BANK	20,910	4,182	3,401	2171.955	51.935

In this top 10 highest tax payers in 2022-2023 financial year and their last 4 years tax contribution performance is shown in above table. Reliance has highest mean value (13,570) and **axis bank has lowest mean value (4,182)** as same as **median reliance has (15,390) and lowest by axis bank (3,401)**. In **standard deviation SBI has (8007.144)** were they not eligible to pay tax for the financial year 2020-2021 and 2021-2022 and **lowest for tata consultancy service (1536.584)**. **coefficient variation SBI has highest value of 126.39 and TCS with lowest value (12.587)**.

FINDINGS

1. In Financial year 2022-2023 and past 4 years reliance has highest sum of tax contribution of past five years data highest tax collected in the year 2022-2023 more than Rs. 10 crores.
2. Due to covid impact many companies are faced some loss and challenges . that's the reason for the companies are contributed less amount of tax also some companies are not eligible to pay corporate tax.
3. Reliance with the highest contribution of corporate tax in last 5 years Rs. 67,848 cr. As well as compare to other top 10 corporate companies axis bank contributed lowest tax of Rs. 20,910 cr.
4. Even though SBI takes a 2nd highest contribution of tax in financial year 2022-2023 TCS was the 2nd highest tax contribution in past 5 years. Reliance has highest mean value (13,570) and axis bank has lowest mean value (4,182) as same as median reliance has (15,390) and lowest by axis bank (3,401).
5. By using standard deviation SBI has (8007.144) were they not eligible to pay tax for the financial year 2020-2021 and 2021-2022 and lowest for tata consultancy service (1536.584). In Coefficient variation SBI has highest value of 126.39 and TCS with lowest value (12.587).

CONCLUSION

As said before corporate companies are cornerstone for Indian economy. Corporate tax plays a crucial role in generating government revenue and funding public services. Contribution of tax to the country without hesitate make India's growth with sustainability. Striking the right balance in tax rates is essential for encouraging business growth while ensuring a fair contribution from corporations. Policymakers must continually evaluate and adjust corporate tax policies to foster economic development and maintain fiscal sustainability.

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