

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

CHIEF ECONOMIC ADVISER: INCREASE IN INDIRECT TAX REVENUE COLLECTIONS DURING JULY 2015 AND FIRST FOUR MONTHS (APRIL-JULY 2015) OF CURRENT FINANCIAL YEAR 2015-16 INDICATE THAT THE UNDERLYING MOMENTUM IN THE ECONOMY CONTINUES TO IMPROVE ACROSS ALL SECTORS; GROWTH OF 14.6 PER CENT (EXCLUDING THE ADDITIONAL REVENUE MEASURES) IN COLLECTIONS IN FIRST FOUR MONTHS SUGGESTS A HEALTHY INCREASE IN NOMINAL GDP GROWTH WHICH CONSTITUTES THE TAX BASE FOR INDIRECT TAX COLLECTIONS

New Delhi, August 12, 2015
Shravana 21, 1937

The Chief Economic Adviser Dr Arvind Subramanian said that increase registered in Indirect Tax Collections during the first four months (April-July 2015) of the Current Financial Year 2015-16 indicate that the underlying momentum in the economy continues to improve across all sectors.

He said that the growth in underlying indirect tax collections (excluding the additional revenue measures) of 14.6 per cent for the first four months – one-third of Financial Year 2016 – suggests a healthy increase in nominal GDP growth which constitutes the tax base for indirect tax collections.

The Chief Economic Adviser was responding to the Indirect Tax Collections figures released yesterday for the month of July 2015 by the Central Board of Excise and Customs(CBEC)

In July 2015, indirect tax collections increased by 39.1% compared with July 2014; cumulatively, in April-July 2015, indirect tax collections increased by 37.6 per cent over the same period last year.

These increases were spread across all three tax categories – customs, central excise and service tax.

Dr Subramanian further said that these collections reflect in part additional measures taken, including the excise increases in diesel and petrol, the increase in clean energy cess, the withdrawal of exemptions for motor vehicles and consumer durables, and in June 2015, the increase in service tax from 12.36 to 14 per cent; customs duties collections have been aided by the rupee depreciation of 6 per cent between April and July.

Stripped of all additional revenue measures, indirect tax collections increased by 15.2 per cent in July 2015 over July 2014; and by 14.6 per cent for April-July 2015 compared to the April-July 2014, he added.
