Direct taxes revenues defy lockdown, jump 36.6% in April

Mumbai records 500% jump, followed by Bengaluru at 160%

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Direct tax collection recorded a healthy growth in April despite the nationwide lockdown and grew by 36.6%.

Data accessed by The Hindu showed that the net direct tax collection for April 2020 was ₹34,780.4 crore as compared to ₹25,466 crore recorded in April 2019, a jump of 36.6%.

Income tax collection in April was ₹19,762.1 crore while corporate tax collection was ₹14,608.1 crore.

The Central Board of Direct Taxes (CBDT) had convened a video-conference on Friday with tax commissioners to review the collection position during the lockdown period. The collection figures of different zones were discussed during the meeting.

The department noted the effort of the officers in ensuring healthy growth of tax collection in these testing times. Among the zones, Mumbai reported a massive 500% growth in net tax collections, followed by Bengaluru that reported 160% growth. Delhi, at number three, reported a 34% growth in April.

Revised targets
The government is expected to miss the direct tax collection target for the financial year 2019-20. The revised estimate has pegged the target for collection of direct taxes for 2019-20 at ₹11.70 lakh crore. The government had collected over ₹7.52 lakh crore as direct taxes till January 31.

Bleak forecast
In addition, the outlook for indirect tax collection is also bleak in the first few months of the current financial year due to the countrywide lockdown.

Some reports suggest that GST collection in April and May could decline drastically as the number of electronic permits for transporting goods are down 80% in April. With the lockdown extended till May 17, tax collections are expected to remain subdued.