JOBS HIGHLIGHTS

- State Bank of India requires 1500 Probationary Officers. Last Date for Online: 23.02.2013
- Ordnance Factory - Khambhar, Jalapur requires 691 Group ‘C’ Industrial Establishment Posts. Last Date: 21 days after publication
- Lok Nayak Hospital, New Delhi requires 418 Staff Nurses and Group ‘C’ Para Medical Staff. Last Date: 18.02.2013
- Nagpur Improvement Trust, Nagpur requires 98 Assistant Engineer Class-2, Jr. Engineer, Civil Engineering Assistant and Jr. Clerk Typing. Last Date: 08.03.2013
- Union Public Service Commission invites applications for various posts. Last Date: 28.02.2013

JOB HIGHLIGHTS

- Lok Nayak Hospital, New Delhi requires 418 Staff Nurses and Group ‘C’ Para Medical Staff. Last Date: 18.02.2013
- Nagpur Improvement Trust, Nagpur requires 98 Assistant Engineer Class-2, Jr. Engineer, Civil Engineering Assistant and Jr. Clerk Typing. Last Date: 08.03.2013
- Lok Nayak Hospital, New Delhi requires 418 Staff Nurses and Group ‘C’ Para Medical Staff. Last Date: 18.02.2013

Relevant Articles

- Knowledge Your Budget Series

---

Also in Hindi and Urdu

(Annual Subscription : ₹ 350 )

---

TAXATION-CONCEPTS AND TRENDS

-Pooja Rangarasad

The Government performs diverse functions ranging from defence of the country and maintenance of law and order in the country to promoting economic development and delivering social services like education and healthcare. Clearly, the Government needs a significant amount of financial resources for delivering all these services. It mobilizes these funds from the country’s resources mainly through taxes, fees/service charges and borrowings.

Tax Revenue and Non-Tax Revenue

Government Revenue can be divided into two categories: tax revenue and non-tax revenue.

Tax Revenue: Tax refers to the money collected by the government through payments imposed by legislation.

Non-Tax Revenue: Non-Tax Revenue refers to revenue of government raised through instruments other than taxes such as fees/user charges, dividends and profit of PSUs, interest receipt, penalty or fine etc.

Direct and Indirect Tax

Government revenue through taxation can be broadly divided into Direct Taxes and Indirect Taxes.

Direct Tax: Those taxes for which the tax-burden cannot be shifted or passed on are called Indirect Taxes. What this implies is: any person, who directly pays this kind of a tax to the Government, need not bear the burden of that particular tax unless he/she can ultimately shift the tax-burden to other persons. We later through business transactions of goods/services, etc. What taxes fall under the category of Direct Taxes?

- Customs Duties
- Excise Duties
- Service Tax
- Sales Tax and Value Added Tax (VAT)
- Wealth Tax
- Gift Tax

Indirect Tax: Those taxes for which the tax-burden can be shifted or passed on are called Indirect Taxes. What this implies is: any person, who directly pays this kind of a tax to the Government, need not bear the burden of that particular tax unless he/she can ultimately shift the tax-burden to other persons. We later through business transactions of goods/services, etc. What taxes fall under the category of Indirect Taxes?

- Excise Duties
- Value Added Tax (VAT)
- Sales Tax
- Service Tax
- Capital Gains Tax
- Wealth Tax
- Gift Tax

Value Added Tax (VAT): Value Added Tax (VAT) is a tax levied on sales of goods and services at different stages of production and consumption. It is charged on the value added at each stage of production and consumption.

Sales Tax: Sales Tax is a tax levied on goods and services at different stages of production and consumption.

Excise Duties: Excise Duties are levied on manufacture, production, import, export or retail sale of goods.

Service Tax: Service Tax is levied on services provided by any person.

Customs Duties: Customs Duties are levied on goods imported into the country as well as on goods exported from the country.

Excise Duties: Excise Duties are levied on goods manufactured in the country and are meant for domestic consumption.

Sales Tax: Sales Tax is levied on goods and services.

Service Tax: Service Tax is levied on services provided by any person.

Value Added Tax (VAT): Value Added Tax (VAT) is a multi-stage tax, intended to tax every stage of sale of a good where some value has been added to the raw materials, etc.

Division of Taxation Powers between Centre and State

The Constitution of India provides a clear division of the roles and responsibilities of the Central Government and State Governments, which has translated into a division of expenditure responsibilities and tax-raising powers. In India, the power to levy taxes and duties has been divided among the Governments at the three tiers, i.e., Central Government, State Governments, and Local Bodies.

- The Central Government has been vested with the power to levy Income Tax (except tax on agricultural income, which the State Governments can levy).
- Customs duties, Central Excise, Sales Tax and Service Tax.
- State Governments have been vested with the power to levy Sales Tax (on intra-State sale of goods), Stamp Duty (on transfer of property), Land Revenue (on land used for agricultural/non-agricultural purposes), Duty on Entertainment and Tax on Professions.
- Local Bodies have been empowered to levy property taxes (buildings, etc.), Octroi (on a tax on entry of goods for use/consumption within areas of the Local Bodies), and Sales Tax and User Charges for utilities like water supply, garbage disposal.

The system of Sales Tax levied by State Governments has now been replaced with Value Added Tax (VAT) Distribution of Revenue collected in the Central Tax System

According to the Constitution of India, a Finance Commission is set up once every five years to suggest sharing of financial resources between the Centre and the States, a major part of which pertains to the sharing of revenue collected in the Central Tax System. At present, the

So, you can see how the government collects different types of taxes and distributes the collected revenue to fund various government activities. The tax system in India is complex and designed to ensure fair and efficient collection of taxes from citizens and businesses.
EMPLOYMENT STRATEGY FOR ...
Continued from page 1
This sector with large employment potential requires improved connectivity, development of tourist circuits, comprehensive review of security restrictions in Ladakh, training youth in the hospitality and adventure tourism industries, and developing road networks to and from its portals.

(vi) The handicraft sector in J&K occupies an important place, employing 4-5 lakh artisans, 175 major craft clusters and revenue generation rate of Rs 1000 crores. To give a boost to this sector, the government, through MoRD, would be promoting the needs of the sector, enhancing skill and designing traceability norms.

(vii) Micro, Small and Medium Enterprises (MSME) - For achieving the target of access to finance by the micro, small, and medium enterprises (MSME) and an amount equivalent to the cost of collection of cesses, surcharges and taxes of union territories, the central government has set up a special scheme for J&K (SJS & J&K).

(i) The state must increase the number of institutions of higher education in J&K but in the short run there is a need for a short-term arrangement to provide the educational opportunities in the rest of the country. One way to do this is to give financial support through a special scholarship scheme for J&K (SSS J&K). On the one hand, the scholarships would enable the youth to optimize their full academic potential and turn to productive activity. On the other hand, it would give those young people an opportunity to interact and bond with their counterparts from the rest of the country. The scholarships in the existing schemes, would be applicable in all the central and state Government Colleges/Universities, Engineering Colleges, Medical Colleges.

(ii) If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill level. A specific scheme to do this will be implemented through competent training providers, from the private sector and non-profit educational institutions. The courses will be covered for salaried employment as well as self-employment. It is estimated that 70% funds will be used to provide salaried employment to the trainees and the remaining 30% for self-employment linked training. The training programmes will have to be designed and implemented based on the need and aptitude that are fundamental to the trades to be imparted to beneficiaries to face transition challenges. The objective of the program is to impart skills necessary for regular employment, so that the initial salary is not less than the prescribed minimum salary.

(iii) Certification and Assessment of trainees: The government, through the PIA, has to ensure appropriate content, with a target number of 30,000 trainees for the year. The youth will receive a unique identification (UID) card to avoid double counting and overlapping. In addition to technical skills, soft skills are also important. The objective is to impart soft skills necessary for regular employment, so that the trainees are motivated to qualify for vertical career progression. The trainees are expected to enhance their full academic potential and turn to productive activity.

EMPLOYMENT STRATEGY FOR ...
Continued from page 1
This sector with large employment potential requires improved connectivity, development of tourist circuits, comprehensive review of security restrictions in Ladakh, training youth in the hospitality and adventure tourism industries, and developing road networks to and from its portals.

(vi) The handicraft sector in J&K occupies an important place, employing 4-5 lakh artisans, 175 major craft clusters and revenue generation rate of Rs 1000 crores. To give a boost to this sector, the government, through MoRD, would be promoting the needs of the sector, enhancing skill and designing traceability norms.

(vii) Micro, Small and Medium Enterprises (MSME) - For achieving the target of access to finance by the micro, small, and medium enterprises (MSME) and an amount equivalent to the cost of collection of cesses, surcharges and taxes of union territories, the central government has set up a special scheme for J&K (SJS & J&K).

(i) The state must increase the number of institutions of higher education in J&K but in the short run there is a need for a short-term arrangement to provide the educational opportunities in the rest of the country. One way to do this is to give financial support through a special scholarship scheme for J&K (SSS J&K). On the one hand, the scholarships would enable the youth to optimize their full academic potential and turn to productive activity. On the other hand, it would give those young people an opportunity to interact and bond with their counterparts from the rest of the country. The scholarships in the existing schemes, would be applicable in all the central and state Government Colleges/Universities, Engineering Colleges, Medical Colleges.

(ii) If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill level. A specific scheme to do this will be implemented through competent training providers, from the private sector and non-profit educational institutions. The courses will be covered for salaried employment as well as self-employment. It is estimated that 70% funds will be used to provide salaried employment to the trainees and the remaining 30% for self-employment linked training. The training programmes will have to be designed and implemented based on the need and aptitude that are fundamental to the trades to be imparted to beneficiaries to face transition challenges. The objective of the program is to impart skills necessary for regular employment, so that the initial salary is not less than the prescribed minimum salary.

(iii) Certification and Assessment of trainees: The government, through the PIA, has to ensure appropriate content, with a target number of 30,000 trainees for the year. The youth will receive a unique identification (UID) card to avoid double counting and overlapping. In addition to technical skills, soft skills are also important. The objective is to impart soft skills necessary for regular employment, so that the trainees are motivated to qualify for vertical career progression. The trainees are expected to enhance their full academic potential and turn to productive activity.

EMPLOYMENT STRATEGY FOR ...
Continued from page 1
This sector with large employment potential requires improved connectivity, development of tourist circuits, comprehensive review of security restrictions in Ladakh, training youth in the hospitality and adventure tourism industries, and developing road networks to and from its portals.

(vi) The handicraft sector in J&K occupies an important place, employing 4-5 lakh artisans, 175 major craft clusters and revenue generation rate of Rs 1000 crores. To give a boost to this sector, the government, through MoRD, would be promoting the needs of the sector, enhancing skill and designing traceability norms.

(vii) Micro, Small and Medium Enterprises (MSME) - For achieving the target of access to finance by the micro, small, and medium enterprises (MSME) and an amount equivalent to the cost of collection of cesses, surcharges and taxes of union territories, the central government has set up a special scheme for J&K (SJS & J&K).

(i) The state must increase the number of institutions of higher education in J&K but in the short run there is a need for a short-term arrangement to provide the educational opportunities in the rest of the country. One way to do this is to give financial support through a special scholarship scheme for J&K (SSS J&K). On the one hand, the scholarships would enable the youth to optimize their full academic potential and turn to productive activity. On the other hand, it would give those young people an opportunity to interact and bond with their counterparts from the rest of the country. The scholarships in the existing schemes, would be applicable in all the central and state Government Colleges/Universities, Engineering Colleges, Medical Colleges.

(ii) If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill level. A specific scheme to do this will be implemented through competent training providers, from the private sector and non-profit educational institutions. The courses will be covered for salaried employment as well as self-employment. It is estimated that 70% funds will be used to provide salaried employment to the trainees and the remaining 30% for self-employment linked training. The training programmes will have to be designed and implemented based on the need and aptitude that are fundamental to the trades to be imparted to beneficiaries to face transition challenges. The objective of the program is to impart skills necessary for regular employment, so that the initial salary is not less than the prescribed minimum salary.

(iii) Certification and Assessment of trainees: The government, through the PIA, has to ensure appropriate content, with a target number of 30,000 trainees for the year. The youth will receive a unique identification (UID) card to avoid double counting and overlapping. In addition to technical skills, soft skills are also important. The objective is to impart soft skills necessary for regular employment, so that the trainees are motivated to qualify for vertical career progression. The trainees are expected to enhance their full academic potential and turn to productive activity.

EMPLOYMENT STRATEGY FOR ...
Continued from page 1
This sector with large employment potential requires improved connectivity, development of tourist circuits, comprehensive review of security restrictions in Ladakh, training youth in the hospitality and adventure tourism industries, and developing road networks to and from its portals.

(vi) The handicraft sector in J&K occupies an important place, employing 4-5 lakh artisans, 175 major craft clusters and revenue generation rate of Rs 1000 crores. To give a boost to this sector, the government, through MoRD, would be promoting the needs of the sector, enhancing skill and designing traceability norms.

(vii) Micro, Small and Medium Enterprises (MSME) - For achieving the target of access to finance by the micro, small, and medium enterprises (MSME) and an amount equivalent to the cost of collection of cesses, surcharges and taxes of union territories, the central government has set up a special scheme for J&K (SJS & J&K).

(i) The state must increase the number of institutions of higher education in J&K but in the short run there is a need for a short-term arrangement to provide the educational opportunities in the rest of the country. One way to do this is to give financial support through a special scholarship scheme for J&K (SSS J&K). On the one hand, the scholarships would enable the youth to optimize their full academic potential and turn to productive activity. On the other hand, it would give those young people an opportunity to interact and bond with their counterparts from the rest of the country. The scholarships in the existing schemes, would be applicable in all the central and state Government Colleges/Universities, Engineering Colleges, Medical Colleges.

(ii) If the capacity of the educational institutions in J&K is to be built up, it is essential to enhance the faculty skill level. A specific scheme to do this will be implemented through competent training providers, from the private sector and non-profit educational institutions. The courses will be covered for salaried employment as well as self-employment. It is estimated that 70% funds will be used to provide salaried employment to the trainees and the remaining 30% for self-employment linked training. The training programmes will have to be designed and implemented based on the need and aptitude that are fundamental to the trades to be imparted to beneficiaries to face transition challenges. The objective of the program is to impart skills necessary for regular employment, so that the initial salary is not less than the prescribed minimum salary.

(iii) Certification and Assessment of trainees: The government, through the PIA, has to ensure appropriate content, with a target number of 30,000 trainees for the year. The youth will receive a unique identification (UID) card to avoid double counting and overlapping. In addition to technical skills, soft skills are also important. The objective is to impart soft skills necessary for regular employment, so that the trainees are motivated to qualify for vertical career progression. The trainees are expected to enhance their full academic potential and turn to productive activity.