

TARC Report

The 3rd Report of **TAX Administration Reform Commission [TARC]** is being submitted to the Govt. of India by Dr. Parthasarathi Shome, the Chairman of TARC.

Many recommendations have been made on various issues. Followings are the recommendations pertaining to SMEs.

Small and medium-sized enterprises (SMEs)

High tax rates, the inability to understand a complex tax system and procedures, and lack of confidence in government efficiency in the use of revenues are added reasons for low voluntary compliance. Therefore, tax administration measures to improve SMEs tax compliance should include

- quick and easy processes for registration and PAN issuance
- clear and easily available information on tax registration, filing and payment obligations and procedures, and a turnover based regime
- targeted risk selection and audit activities taking into account the specific characteristics of different groups of SMEs
- Once compliance behaviour is understood, raising compliance is likely to again call for simplified returns, with simple profit and loss statement and simplified capital allowance so that whichever SME is selected, their audit remains fair and transparent and not prone to disputes
- setting up of at least 8 call centres for responding to, and resolving basic queries and
- visit by specialised officers in a group for SME support.

CHAMBER OF SMALL INDUSTRY ASSOCIATIONS



Member, National Board for MSMEs [2010-2012]

ESTD. YEAR 1990

Silver Jubilee Year

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There are other suggestions like reintroduction of Fringe Benefit Tax [FBT] Banking Cash Transaction Tax etc.

The whole report is available [here](#). You may please communicate your comments if any, on the various recommendations made in this report.

Thanks & regards,

Dilip Salvekar,

Secretary General

Dt: **16th Dec. 2014**

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To,

All MSME Associations in India,

All Members of COSIA,