

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

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Press Release

Direct Taxes Data shows improved Taxpayer compliance

Income Tax Department has, over the years, focused on several measures to ensure ease in compliance of taxpayers and transparent tax administration. In line with transparency in its functioning, the Department had released the Time Series Data of Direct Taxes and Income Tax Return statistics, in various tranches, from time to time.

The data shows that the number of ITR filings has shown a consistent upswing over the last few years. The returns filed by individual taxpayers have increased from 3.36 crore in Assessment Year (AY) 2013-14 to 6.37 crore in AY 2021-22 registering an overall increase of 90%. During the current fiscal too, 7.41 crore returns have been filed for AY 2023-24 till date, including 53 lakh new first time filers. This is an indication of the widening of tax base subsequent to various reform measures put in place by the Department.

In fact, while the overall number of returns of individual taxpayers has shown an increase over the years, there is also an increase in number of returns filed by individual taxpayers across various ranges of gross total income.

- (i) In the range of gross total income upto Rs. 5 lakh, the number of returns filed by individual taxpayers has increased from 2.62 crore in AY 2013-14 to 3.47 crore in AY 2021-22 registering an increase of **32%**. This range of income includes individuals having income below taxable limit who may not be filing returns.
- (ii) In the range of gross total income of Rs. 5 lakh to Rs. 10 lakh, and Rs. 10 lakh to Rs. 25 lakh, the number of returns filed by individual taxpayers from AY 2013-14 to AY 2021-22 has registered an increase of **295%** and **291%** respectively

This indicates that individual taxpayers are showing a positive trend of migration to higher range of gross total income.

A further analysis of the gross total income of individual taxpayers for AY 2013-14 and AY 2021-22 also shows that:

- (i) The proportionate contribution of gross total income of top 1% individual taxpayers vis-à-vis all individual taxpayers has decreased from 15.9% in AY 2013-14 to 14.6% in AY 2021-22.
- (ii) The proportionate contribution of gross total income of bottom 25% individual taxpayers vis-à-vis all individual taxpayers has increased from 8.3% in AY 2013-14 to 8.4% in AY 2021-22.
- (iii) The proportion of gross total income of middle 74% group of individual taxpayers increased from 75.8% to 77% in the above period.
- (iv) The average gross total income for individual taxpayers increased from about Rs. 4.5 lakh in AY 2013-14 to about Rs. 7 lakh in AY 2021-22 representing an increase of 56%. The increase in average gross total income for top 1% individual taxpayers is 42% while that for bottom 25% individual taxpayers is 58%.

The above data is clearly indicative of a robust growth in the gross total income of individuals across different income groups subsequent to AY 2013-14. The overall impact has been reflected in increase in net direct tax collections from Rs.6.38 lakh crore in FY 2013-14 to Rs. 16.61 lakh crore in FY 2022-23. This has been made possible due to the taxpayer friendly and taxpayer oriented progressive policies adopted by the Government. The Department is committed to ensure transparency in processes, efficiency in administration and concerted efforts at building trust with taxpayers and stakeholders.

(Surabhi Ahluwalia)
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