

Taxes Of India

- **Taxes in India** are levied by the Central Government and the state governments. Some minor taxes are also levied by the local authorities such as the Municipality.
- The authority to levy a tax is derived from the Constitution of India which allocates the power to levy various taxes between the Central and the State. An important restriction on this power is **Article 265** of the Constitution which states that "No tax shall be levied or collected except by the authority of law".
- Therefore, each tax levied or collected has to be backed by an accompanying law, passed either by the Parliament or the State Legislature.

Types of Taxes:

1. Direct Taxes
2. Indirect Taxes

Direct taxes:

- Direct taxes are those which are paid **directly to the government by the taxpayer**. These taxes are not paid deducted and paid on behalf of the taxpayer. It's imposed on the people and organizations directly by the government.
- **Types of Direct taxes:**
 1. Income Tax
 2. Banking Cash Transaction Tax
 3. Corporate Tax
 4. Capital Gains Tax
 5. Double Tax Avoidance Treaty
 6. Fringe Benefit Tax
 7. Securities Transaction Tax
 8. Personal Income Tax

Indirect Taxes:

- The definition of Indirect Tax Is "Indirect taxes are those taxes that are levied on goods or services. They differ from direct taxes because they are not levied on a person who pays them directly to the government, they are instead levied on products and are collected by an intermediary, the person selling the product".
- **Different types of indirect taxes:**
 1. Sales Tax -tax on retail sales.
 2. Services Tax
 3. Value added (VAT)
 4. Custom duty
 5. Anti Dumping Duty
 6. Excise Duty

7. Goods and services tax

Central Government Of India:

Central government of India	
S.No.	Parliament of India
1	Taxes on income other than agricultural income
2	Duties of customs including export duties
3	Duties of excise on tobacco and other goods manufactured or produced in India except (i) alcoholic liquor for human consumption, and (ii) opium, Indian hemp and other narcotic drugs and narcotics, but including medicinal and toilet preparations containing alcohol or any substance included.
4	Corporation Tax
5	Taxes on capital value of assets, exclusive of agricultural land, of individuals and companies, taxes on capital of companies
6	Estate duty in respect of property other than agricultural land
7	Duties in respect of succession to property other than agricultural land
8	Terminal taxes on goods or passengers, carried by railway, sea or air; taxes on railway fares and freight
9	Taxes other than stamp duties on transactions in stock exchanges and futures markets
10	Tax on sales or purchase of newspaper and advertisement therein;<P.M. BAKSHI>
11	Taxes on sale or purchase of goods other than newspapers, where such sale or purchase takes place in the course of inter-State trade or commerce
12	Taxes on the consignment of goods in the course of inter-State trade or commerce
13	All residuary types of taxes not listed in any of the three lists of Seventh Schedule of Indian Constitution

State Government Of India:

State governments	
S.No.	State Legislature
1	Land revenue, including the assessment and collection of revenue, the maintenance of land records, survey for revenue purposes and records of rights, and alienation of revenues.
2	Taxes on agricultural income
3	Duties in respect of succession to agricultural land
4	Estate Duty in respect of agricultural land
5	Taxes on lands and buildings
6	Taxes on mineral rights
7	Duties of excise for following goods manufactured or produced within the State (i) alcoholic liquors for human consumption, and (ii) opium, Indian hemp and other narcotic drugs and narcotics
8	Taxes on entry of goods into a local area for consumption, use or sale therein
9	Taxes on the consumption or sale of electricity
10	Taxes on the sale or purchase of goods other than newspapers

11	Taxes on advertisements other than advertisements published in newspapers and advertisements broadcast by radio or television
12	Taxes on goods and passengers carried by roads or on inland waterways
13	Taxes on vehicles suitable for use on roads
14	Taxes on animals and boats
15	Tolls
16	Taxes on profession, trades, callings and employments
17	Capitation taxes
18	Taxes on luxuries, including taxes on entertainments, amusements, betting and gambling
19	Stamp duty