



Trends in Tax Revenue Collection

Source: IE

Recently, a recent data released by the **Central Board of Direct Taxes (CBDT)** under the **Ministry of Finance** revealed the **trends in tax revenue** collection for the **FY 2023-24**.

- **Direct taxes** surged to **56.72%** of total revenue in **FY24**, the highest in 14 years while **indirect taxes** dropped to **43.28%**.
 - A Direct tax is **imposed directly on the taxpayer** and **paid directly to the government** by the persons (juristic or natural) on whom it is imposed.
 - An indirect tax is one collected by an **intermediary (like a store)** from the person who **ultimately pays it (the customer)**. The taxpayer can **pass this tax** on to others.
- **Personal income tax (PIT)** (Rs 10.45 lakh crore) was higher than **corporate tax** (Rs 9.11 lakh crore) collections.
- The direct **tax-to-GDP ratio** climbed to a 20-year high of **6.64%**.
- **Tax buoyancy** grew to **2.12** in 2023-24.
 - A tax buoyancy **above 2** means **tax revenues grew more than twice as fast as nominal GDP**, reflecting strong tax collection growth.
- Top 3 Direct Tax Collection (States): **Maharashtra (39%), Karnataka (12%) and Delhi (10.4%)**.

Read More: [Rising Share of Personal Income Tax and Indirect Tax](#)

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