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Review Report

Corporate Tax Reforms in India (2019–2024): An Empirical Analysis of Revenue Impact and Economic Outcomes

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ABSTRACT

This research takes a close look at the big changes India made to its corporate tax rules between 2019 and 2024. We're trying to figure out how these changes affected the amount of tax money the government collected, how much revenue it missed out on, and how they influenced the country's economic growth. India's corporate tax scene saw some significant changes, especially when the Taxation Laws (Amendment) Act of 2019 came into play. This act lowered the tax rate for domestic companies to 22% and even offered a super-low 15% rate for new manufacturing companies. These changes were all about making it easier to do business in India, attracting investment from other countries, and boosting India's own industries. In addition, in 2024, the government decided to scrap the angel tax rules to show that it really wants to support startups. We used data from government sources to do some number crunching and see how things like GDP, corporate tax revenue, and revenue foregone are all related. What we found is that there's a strong link (r ≈ 0.98) between GDP and corporate tax revenue. This suggests that the tax changes, along with the growing economy, have helped the government collect more tax money. However, the fact that the government is missing out on more and more revenue raises some concerns about whether these tax breaks are sustainable in the long run. This study adds to the ongoing discussion about how well tax policies work, especially when it comes to balancing competitive tax rates with the need to collect enough revenue. We also come up with some ideas for future tax changes that could make things more efficient while keeping the country's finances in good shape.
Keywords: Corporate Tax Reforms, Domestic companies, Tax-to-GDP Ratio, Foregone, Economic Growth, Fiscal Policy.

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