Allowing fast-lane access, naming of roads, buildings after top taxpayers mooted

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Rewarding top taxpayers with ‘diplomatic’ type privileges, fast-lane access, expedited boarding at airports and even naming of building and roads after them are some of the suggestions laid out in the Economic Survey 2018-19 to push tax compliance in the country.

The Economic Survey advocates the application of the behavioural principles to enhance tax compliance “as people often indulge in conspicuous consumption to convey their social status...”

The Survey recommended that top 10 highest tax payers within a district can be highlighted and accorded due recognition. “This may take the form of expedited boarding privileges at airports, fast-lane privileges on roads and toll booths, special ‘diplomatic’ type lanes at immigration counters, etc.”

It added that the highest taxpayers over a decade could be recognised by naming important buildings, monuments, roads, trains, initiatives, schools and universities, hospitals and airports in their name.

Honour ‘clubs’
“...The idea is to create exclusive membership of “clubs” that exude not only social status but also honour. Such steps can also help propagate the social norm that “paying taxes honestly is honourable”,” the Survey said. Another use of behavioural principles suggested in the Survey is public shaming of individuals who don’t pay taxes to “reduce non-compliance if they are reintegrated immediately.” It, however, added that persistent public shaming can be detrimental to compliance because of stigmatisation effects.

“If cheats feel that the probability of their detection has increased, voluntary disclosure programmes for tax payments can increase tax evasion incidence as these programmes may offer the possibility to avoid strict punishments,” it said.