

passengers are permitted to import, through baggage at concessional rate of duty, 1 kg of gold only instead of 10 kg permitted earlier.

(e) Recently, to bring down the prices of gold, RBI has advised banks not to grant advances for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of gold Exchange Traded Funds (ETF) and units of gold Mutual Funds except for genuine working capital requirements of jewellers.

Abolition of Estate Tax

*400. SHRI AVINASH PANDE: Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that India had an Estate tax from 1953 to 1985;
- (b) the reasons for its abolition; and
- (c) whether Government plan to re-impose the tax again in the future?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) The Estate duty was abolished for the following reasons:

- (i) The contribution of estate duty to the Government revenues over the years had been insignificant.
- (ii) Percentage of estate duty to gross tax revenue was steadily falling. It was 0.22 percent in 1972-73, 0.15 percent in 1975-76 and 0.13 percent in 1981-82.
- (iii) The proceeds of estate duty were low despite an extremely progressive; rate schedule.
- (iv) The cost of administration of the Estate Duty Act, 1953 and the cost of compliance to the tax payer was high.
- (v) Both wealth-tax and estate duty laws were applicable to the property of a person, the former applying to his property before death and the latter after his death. The existence of two separate laws with reference to the same property was considered a burden on the taxpayers and the heirs of the deceased.

(c) There is no such proposal at present.
