

Revision of Income Tax Act

399. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is contemplating on bringing changes to Income Tax Act to reduce the tax burden and ease the tax return procedure; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) Yes, Sir.

(b) In order to reduce the tax burden, the Finance Bill, 2018 proposes to make the following changes to the Income-tax Act, 1961 ('the Act'):-

- (i) rate of income-tax is proposed to be reduced to 25% from 30% in the case of companies which show total turnover or gross receipts of up to ₹ 250 crore in FY 2016-17;
- (ii) it is proposed to amend section 16 of the Act and allow a standard deduction of ₹ 40,000/- to salaried persons in lieu of the present exemption in respect of transport allowance (except in the case of differently-abled persons) and reimbursement of miscellaneous medical expenses;
- (iii) it is further proposed to raise the limit of deduction for health insurance premium and/or medical expenditure from ₹ 30,000/- to ₹ 50,000/- in the case of senior citizens by amending section 80D of the Act;
- (iv) it is also proposed to raise the limit of deduction for medical expenditure in respect of certain critical illnesses from ₹ 60,000/- in the case of senior citizens and ₹ 80,000/- in the case of very senior citizens to ₹ 1,00,000/- in the case of all senior citizens by amending section 80DDB of the Act;
- (v) it is also proposed to increase deduction allowed to senior citizens on interest income from deposits with banks, co-operative societies and post offices from ₹ 10,000/- to ₹ 50,000/- by inserting a new section 80TTB in the Act;
- (vi) it is proposed to provide 100% deduction in respect of profit of Farm Producer Companies having a total turnover of up to ₹ 100 crore for a period of five years from the financial year 2018-2019 by amending section 80P of the Act;
- (vii) it is proposed to reduce the rate of alternate minimum tax to 9% from 18.5% in case of a unit located in an International Financial Service Center by amending section 115JC of the Act.

In respect of easing of tax return procedure, it is stated that *vide* Finance Bill, 2018 it is proposed to allow an insolvency professional appointed by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 to verify the return during the resolution process under the said Code. It is further stated that return of income forms for AY 2018-19 are in the process of being finalized and that as a matter of simplification of return filing procedures, the said forms are regularly being rationalized.

Distribution of taxes collected from States

400. SHRI C.M. RAMESH: Will the Minister of FINANCE be pleased to state:

(a) the details of direct and indirect taxes collected from various States during the last five years and the current year, year-wise and State-wise;

(b) the details of money returned to various States during the last five years and the current year, year-wise and State-wise;

(c) whether it is a fact that States such as Andhra Pradesh, Telangana, Maharashtra, Karnataka, Tamil Nadu which are contributing more to the exchequer in the form of taxes are not getting back money in the same proportion and backwards States are getting more; and

(d) if so, the reasons therefor and steps taken to change this trend?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) The details of direct tax collected from various States/UTs during the last five years from the year 2012-13 to 2016-17 is given in Statement-I (*See below*) and for the current financial year 2017-18 it is stated that the said data is compiled only after the completion of the financial year.

However, the State-wise data on collection of Indirect Taxes is not maintained centrally.

(b) to (d) The Government releases shares in Central Taxes and Duties to State Governments as per approved recommendations of Finance Commission. The State-wise releases made to State Governments from the year 2012-13 to 2016-17 and Budget Estimates for 2017-18 is given in Statement-II.