GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO. 1663
ANSWERED ON 03.08.2021
RELIEF TO SMALL TRUSTS

1663. SHRI B. LINGAIAH YADAV:

Will the Minister of FINANCE be pleased to state:

(a) the details of progress made along with announcement/ implementation/ execution of the steps/ measures taken for relief given/ to be given to small trusts to reduce compliance burden and other steps being taken to solve the issues of small charitable trusts running educational institutions and hospitals, projects phase-wise and States covered/ beneficiaries listed and criteria adopted along with funds sanctioned/released and the results yielded so far, sector-wise in the last four years and the current year-wise as on date;

(b) the demands received/action taken from State, year-wise; and

(c) future action plan in this regard?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
 (SHRI PANKAJ CHAUDHARY)

(a) As there is no legislative or administrative definition of small trusts the details sought of small trusts are not separately available.

II. However, sub-clause (iiiad) and sub-clause (iiiae) of clause (23C) of section 10 of the Income-tax Act, 1961 provides tax exemption to charitable trusts running educational institutions and hospitals respectively, subject to the condition that their annual receipts do not exceed a prescribed limit. In order to reduce compliance burden on such charitable trusts, Finance Act, 2021 has increased the existing limit of annual receipts from Rs 1 crores to Rs 5 crores.

III.   Further, in order to facilitate the process of approval/ registration of charitable trusts, other than the trusts having exemption due to low annual receipts (discussed in II above), a new online functionality has been provided in Form 10A (application for approval/ registration under the Income-tax Act,1961). Due to COVID-19, to provide relief to the trusts, the last date of filing application in Form 10A has been extended to 31.08.2021.

(b) No such information is available.

(c) Not applicable in view of reply above.

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