

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 2628
ANSWERED ON-21/12/2021

WEALTH TAX ON INDIA'S SUPER RICH

2628. SHRI BIKASH RANJAN BHATTACHARYYA:

SHRI ABIR RANJAN BISWAS:

Will the Minister of FINANCE be pleased to state:

- (a) whether according to estimates, only one percent tax on India's 954 richest families could fund the entire vaccine programme as opposed to the current funding mechanism of using VAT revenue from petrol and other fuel products;
- (b) whether Government is considering imposing a wealth tax on India's super rich; and
- (c) if not, the reasons therefor?

ANSWER

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

- (a): There is no concept of determining collective income of a family under the Income Tax Act.
- (b): There is no such proposal under consideration.
- (c): The wealth Tax was abolished by Finance Act, 2015 for simplification of tax procedures and ease of doing business, as it was found to be a tax with high cost of collection and low yield. There was no revenue loss as the wealth tax was replaced with an increase in the rate of existing surcharge by 2% in case of all persons (except a foreign company) having total income of more than Rs. 1 crore. Finance (No.2) Act, 2019 has further increased the rate of surcharge.
