

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:280
ANSWERED ON:22.02.2001
PROPOSAL FOR INTRODUCTION OF TONNAGE TAX
SUBODH MOHITE

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government propose to introduce tonnage tax in place of existing corporate tax for the shipping companies;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether the existing tax rate for Indian Shipping companies is much higher than that of existing in other countries;
- (e) if so, the reasons therefor and its impact on the development of shipping industry; and
- (f) the steps proposed to be taken by the Government to rationalise the tax structure?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING(SHRI HUKUMDEO NARAYAN YADAV)

(a)to(f) :This Ministry's proposal for introduction of Tonnage Tax in lieu of existing Corporate Tax for the Shipping Industry is under consideration of the Government of India. In so far as higher tax rate for the Shipping Industry in India vis-a-vis other countries is concerned, although no comparative study has been made to assess the incidence of direct taxation, the Indian Shipping Industry has been representing that the same is not on comparative par with the rest of the Maritime countries. As regards rationalisation of tax structure, it is an ongoing process, subject to overall fiscal environment of the Indian Economy.