

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4977
ANSWERED ON:20.12.2002
HIGH CORPORATE TAX RATE IN INDIA
AMBATI BRAHMANAIAH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether some study reveals that there is high corporate tax rate in India compared with China, U.K., Australia, Indonesia, South Africa and Malaysia; and

(b) if so, the details thereof and alongwith the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N.RAMACHANDRAN)

(a) & (b): The basic federal corporate tax rate in China, U.K., Australia, Indonesia, south Africa and Malaysia is 30%, 30%, 30%, 30%, 30% and 28% respectively which is lower than the basic federal Indian corporate tax rate of 35%. However, the effective corporate rate of taxation in India is much lower on account of various exemptions and deductions.