

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4471
ANSWERED ON:20.08.2010
IMPLEMENTATION OF DTC
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to withdraw the provisions like Minimum Alternate Tax on gross assets and tax on long-term saving withdrawals from proposed revised draft Direct Taxes Code (DTC);
- (b) if so, the details thereof;
- (c) whether the Government has fixed any time-limit for the implementation of DTC; and
- (d) if so, the details thereof and steps taken to adhere to the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): The draft Direct Taxes Code (DTC) along with a Discussion Paper was released in August, 2009 for public comments. Since then, a number of valuable inputs on the proposals outlined in these documents have been received from a large number of organisations and individuals. These inputs have been examined and the major issues on which various stakeholders have given their views have been identified. A Revised Discussion Paper on the draft Direct Taxes Code (DTC) was released on 15-06-2010 addressing these major issues and inviting responses upto 30-06-2010. The Revised Discussion Paper addresses the issues of MAT and long-term saving withdrawals as under:

- i. Minimum Alternate Tax (MAT) - It is proposed to compute MAT with reference to book profit instead of gross assets value.
- ii. Tax treatment of savings - It is proposed to provide the Exempt-Exempt-Exempt (EEE) method of taxation for Government Provident Fund (GPF), Public Provident Fund (PPF) and Recognised Provident Funds (RPFs), the pension scheme administered by Pension Fund Regulatory and Development Authority and approved pure life insurance products and annuity schemes.

The Revised Discussion Paper is available on the websites of the Ministry at: finmin.nic.in and incometaxindia.gov.in.

(c) & (d): Implementation of the DTC will take place after the introduction and passage of the relevant Bill, which will include its date of effectivity, in the Parliament.