

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1830
ANSWERED ON:17.07.2009
MEASURES TO BOOST REALTY SECTOR
Khaire Shri Chandrakant Bhaurao

Will the Minister of FINANCE be pleased to state:

(a) the details of fiscal steps taken by the Government to boost the recession hit realty sector especially urban sector during the last three years; and

(b) the extent by which such steps have helped the urban poor in buying a house?

Answer

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b) : Tax incentives are provided under the provisions of the Income-tax Act, 1961. Sub-section (10) of section 80-IB of the Income-tax Act, 1961 provides for 100 per cent deduction of the profits derived by an undertaking from developing and building housing projects subject to specified conditions, provided, the project is approved by a local authority before the 31st day of March, 2007. A deduction from profits is also allowed under section 80-IA of the Income-tax Act for an undertaking which develops and operates or maintains and operates an industrial park in accordance with the scheme notified by the Central Government for the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2009, subject to specified conditions. Further, a deduction from profits is allowed under section 80-IAB for undertakings engaged in development of Special Economic Zones, subject to specified conditions.

The Government also recognises the criticality of supporting housing for urban poor and programmes are being accordingly implemented. Jawaharlal Nehru National Urban Renewal Mission (JNNURM), being implemented over a seven year period from 2005-06, has two components for the urban poor- Basic Services to the Urban Poor (BSUP) Programme and Integrated Housing & Slum Development Programme (IHSDP). The BSUP was launched in December 2005 to assist cities and towns in taking up housing and infrastructure facilities including basic services to the urban poor in selected cities. The IHSDP, launched with BSUP, is taking up housing and slum up-gradation programmes in non-BSUP cities and towns. A total of 461 projects under BSUP and 839 projects under IHSDP have been approved so far envisaging construction/ up-gradation of 993523 and 461887 dwelling units respectively.