

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4842
ANSWERED ON:07.08.2009
MINIMUM ALTERNATE TAX
Pradhan Shri Nityananda

Will the Minister of FINANCE be pleased to state:

- (a) the money likely to be generated on account of increase in MAT (Minimum Alternative Tax);
- (b) the reasons for increasing MAT for the companies;
- (c) whether the Government propose to re-consider and rollback the increase in MAT so as to avoid extra burden on the companies; and
- (d) if so, the details thereof?

Answer

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

- (a) Rs. 20,000 crore approximately.
- (b) The rate of Minimum Alternate Tax has been increased from ten percent of the book profit to fifteen percent of the book profit with a view to progressively reducing the impact of tax exemptions/incentives.
- (c) No Sir.
- (d) Does not arise.