

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1675
ANSWERED ON:19.11.2010
REBATE ON INVESTMENT
Bundela Shri Jeetendra Singh

Will the Minister of FINANCE be pleased to state:

- (a) the location-wise details of hundred per cent Income Tax rebate on investment given by the Union Government;
- (b) the details of benefits accrued to the host States as a result thereof;
- (c) the number of States which are devoid of this facility inspite of being backward States alongwith reasons therefor; and
- (d) the steps taken to extend similar incentives to other Industrially backward States like Madhya Pradesh?

Answer

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

- (a) The provisions regarding investment-linked deduction have been introduced recently in the Income Tax Act, 1961 vide the Finance (No. 2) Act, 2009 w.e.f. 01.04.2010, providing for a deduction of hundred percent of capital expenditure (other than on land, goodwill and financial instruments) to specified sectors. This deduction is not location, area or region specific. Therefore, location-wise details do not arise.
- (b)& (c) Does not arise.
- (d) The afore-mentioned investment-linked tax incentives under section 35AD of the Income Tax Act are available to the specified businesses across the country irrespective of the location. Therefore, the specified businesses located anywhere in India, including Madhya Pradesh, would be eligible for the investment-linked deduction.