

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:869

ANSWERED ON:12.11.2010

TAX BENEFITS

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Yaskhi Shri Madhu Goud

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have provided tax benefits to the corporate firms providing health cover to their employees;
- (b) if so, the details thereof; and
- (c) if not, the time by which a final decision is likely to be taken by the Government in this regard?

Answer

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

(a) & (b): Clause (ib) of sub-section (1) of section 36 of the Income Tax Act, 1961 provides for a deduction of the amount of any premium paid by any mode of payment other than cash by the assessee as an employer to effect or to keep in force an insurance on the health of his employees under a scheme framed in this behalf by

(A) the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972) and approved by the Central Government; or

(B) any other insurer and approved by the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999).

This deduction is allowable while computing business income.

(c): Does not arise.