

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:731
ANSWERED ON:25.02.2011
INCOME TAX EXEMPTION TO CHRISTIAN INSTITUTIONS
Singh Shri Bhupendra

Will the Minister of FINANCE be pleased to state:

- (a) the criteria fixed for getting exemption from Income Tax on donations and gifts received from various sources by the Christian Missionaries and religious trusts including Non-Governmental Organisations (NGOs) for educational, religions and social works;
- (b) whether amendment is being made in the guidelines in this regard;
- (c) if so, the details thereof;
- (d) the names of those institutions of Madhya Pradesh which have availed the said exemption during the last three years; and
- (e) the details of declared donations and gifts received by the aforesaid institutions?

Answer

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

- (a) In order to avail of exemption from income tax on donations and gift received, the charitable trusts and non-government institutions are required to register themselves under Section 12AA of the Income Tax Act, 1961 with the jurisdictional Commissioner of Income Tax or Director of Income Tax (Exemptions) as the case may be. Further, such registration is granted after examining the objects of such institution and verifying that these objects constitute a charitable purpose which is defined in Section 2(15) of the Income Tax Act, 1961. After registration, the institutions or trusts are required to abide by the conditions laid out in Section 11, 12, and 13 so as to avail of the income tax exemption. Such institutions can also seek approval under Section 10 (23C) from the Chief Commissioner of Income Tax or the Director General of Income Tax (Exemptions). In such a case, they are required to abide by the conditions laid down in Section 10(23C).
- (b) & (c) Currently the Annual Budgetary exercise 2011 is under progress. Any decision of the Government with regard to amendment in the provisions of the Income Tax Act 1961 will be known in the form of the Finance Bill 2011.
- (d) Centralized data in respect of details of such institutions of Madhya Pradesh, which have availed the said exemptions during last three years, is not maintained by the Government. The information is being collected from the field formations and to the extent possible shall be laid on the Table of the House.
- (e) Separate details relating to donations and gifts received by an institution are not declared in the Income and Expenditure statement to be furnished with the returns of income tax filed by the institution.