

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1485

ANSWERED ON:04.03.2011

EXEMPTION OF PRIVATE SCHOOLS AND COLLEGES FROM TAXES

Vasava Shri Mansukhbhai D.;Yadav Shri M. Anjan Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has exempted private schools and colleges from taxes;
- (b) if so, the reasons therefor;
- (c) whether the Government has conducted any study to find out whether this tax free system becomes beneficial to the poor students or not;
- (d) if so, the details thereof and if not, the reaction of the Government thereto; and
- (e) the remedial steps taken by the Government in this regard?

Answer

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

- (a) Income tax exemption is granted to private schools and colleges under sections 11, 12 and 10(23C) of the Income Tax Act 1961.
- (b) The exemption is granted only 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 and includes education.
- (c) The Income Tax Department has not conducted any such study.
- (d) and (e) Not applicable in view of (c) above.