

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3137

ANSWERED ON:19.08.2011

IT CONCESSION TO HANDICAPPED AND TRANSGENDER

Tagore Shri Manicka

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has any proposals to give more Income Tax (IT) concession to the physically challenged persons/handicapped and transgender on the lines of senior citizens and women;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

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

(a), (b) & (c) No, Madam. The following incentives are already currently available under the Income Tax Act, 1961 (the Act) specifically for persons with disability:-

(i) Section 80U of the Act provides for a specific deduction of Rs. 75,000/- in case of a person with disability and Rs. 1,00,000/- for severe disability. These amounts of deduction were enhanced from the previous limits of Rs. 50,000/- and Rs. 75,000/- respectively, vide Finance Act (No. 2), 2009, w.e.f. 1-4-2010.

(ii) Section 80DD of the Act provides for a deduction of Rs. 50,000/- in respect of maintenance, including medical treatment, of a dependant who is a person with disability. A deduction of Rs. 1,00,000/- is available in case of maintenance of a dependant with severe disability which was enhanced from the previous limit of Rs. 75,000/-, vide Finance Act (No. 2), 2009, w.e.f. 1-4-2010.

(iii) Under section 64 of the Act, in case of an individual, any income arising/accruing to a minor child suffering from any disability of the nature specified in section 80U will be exempt from clubbing of income.

(iv) Section 80G of the Act provides full deduction in respect of donations to the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities constituted under sub-section (1) of section 3 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999).

The basic exemption limits and tax rates for different categories of tax payers are fixed considering the revenue needs of the government as well as the economic condition of the country. They are revised from time to time, as detailed above, during the annual budgetary exercises. There has been a continuous moderation of tax regime by way of increase in the basic exemption limits, widening of tax slabs, and removal of surcharge on individual tax payers. The policy has been continued and in the Finance Act, 2011 the tax structure for different classes of individual tax payers (for the income of financial year 2011-12) has further been moderated. Such moderation benefits persons with disability also.

Therefore, since various specific incentives are already available to persons with disability, in a moderate tax regime, the Government does not propose to provide further IT concessions for any special category of individuals.