

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3201
ANSWERED ON:19.08.2011
IT EXEMPTION FOR ANIMAL HUSBANDRY
Meghwal Shri Arjun Ram

Will the Minister of FINANCE be pleased to state:

- (a) the reasons for including Animal Husbandry industry within income tax net;
- (b) whether the Government proposes to exempt Animal Husbandry industry from income tax;
- (c) if so, the details thereof and if not, the reasons therefor; and
- (d) the steps taken by the Government in this regard ?

Answer

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

(a) Under the Income-tax Act, 1961 (Act), income from all the commercial activities is taxed except where specific exemption or deduction is provided as an incentive. In case of Animal Husbandry Industry there is no exemption of income however following deductions are available:-

1. In case of co-operative societies income from fishing and allied activities is allowed as deduction under section 80P of the Act.
2. Any income from the business of processing, preservation and packaging of meat and meat products, poultry, marine, and dairy products is allowed as deduction if the business was set up on or after 01-04-2009 at the specified rates which is 100% of the profits for the first five assessment years and 25% (30% in case of company) of profits for the next five assessment years under section 80 IB (11A) of the Act.

(b) There is no such proposal.

(c) & (d). Over the years, the consistent policy of Government has been to remove all the profit linked incentives and these are being phased out on their sunset dates.