

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1882

ANSWERED ON:17.07.2009

TAX SOPS FOR STPS

Patasani Dr. (Prof.) Prasanna Kumar;Reddy Shri Magunta Srinivasulu

Will the Minister of FINANCE be pleased to state:

- (a) the details of tax sops granted to Software Technology Parks;
- (b) whether requests/representations for extension of such facilities has been received by the Union Government;
- (c) if so, the details thereof; and
- (d) the action taken/proposed to be taken by the Government thereon?

Answer

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

(a): Under the Software Technology Park scheme, the following tax concessions have been granted:

- i) Exemption from Customs and Central Excise duties including Anti dumping and Safe guards duties on the imported or indigenously procured raw material, Capital goods, and other specified goods used in the manufacture of the finished goods.
- ii) Deduction under Section 10A of the Income-tax Act, 1961 of such profits & gains as are derived by the undertaking located in a software technology park, subject to specific conditions.
- iii) Cenvat Credit allowed on the Service tax paid on the input services used in the unit.

(b) & (c): Yes, Sir. Requests/ representations were received for extension of Income Tax benefits which were available only up to assessment year 2010-11.

(d): The Finance (No.2) Bill, 2009 proposes to extend the tax benefit available under Section 10A of the Income-tax Act by one year, i.e. the deduction would be available up to assessment year 2011-12.