

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2896
ANSWERED ON:29.08.2012
BLACK MONEY IN RELIGIOUS ESTABLISHMENTS
Chowdhury Shri Adhir Ranjan

Will the Minister of FINANCE be pleased to state:

- (a) Whether offering to religious establishments are tax exempted and if so, the reasons therefor;
- (b) The reaction of the Government thereto?

Answer

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

(a) and (b): As per the Income-tax Act, 1961 ('Act'), the main provisions regarding tax exemptions in respect of offerings to religious establishments is as under:

(i) Exemption in the hands of the Donors-

Under section 80 G (2) (b) of the Act, fifty percent of any sum paid by the assessee as donation to religious establishments are tax exempted.

The donation is eligible for tax deduction only if it is for the renovation or repair of any such temple, mosque, gurdwara, church or other place as is notified by the Central Government in the Official Gazette to be of historic, archaeological or artistic importance or to be a place of public worship of renown throughout any State or States.

(ii) Exemption in the hands of the Donee-

Any income by way of voluntary contributions received by a trust created wholly for charitable or religious purposes or by an institution established wholly for such purposes is exempt from Income-tax u/s 11 and 12 of the Act, provided is registered u/s 12AA and satisfies the prescribed conditions.