

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5264

ANSWERED ON:24.04.2015

CURBING BLACK MONEY

Bhatt Smt.Ranjanben;Maragatham Smt. K.;Pala Shri Vincent H

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to make it mandatory to use cheques/credit/ debit cards for high value transaction including property transaction along with imposing ceiling on acquisition of private property in order to curb black money and stabilise real estate business;

(b) if so, the details thereof;

(c) whether the Government proposes to give opportunity to the persons holding unaccounted overseas assets to pay their taxes and if so, the details thereof; and

(d) the time by which the said proposal is likely to be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b) As per the existing provisions of the Income-tax Act, acceptance or repayment of any loan or deposit of an amount of Rs. 20,000/ or more otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account is prohibited. Violation of these provisions attracts penalty of an amount equal to the amount of such loan or deposit.

Further, subject to certain exceptions, any expenditure for which payment or aggregate of payments in a day exceeding Rs. 20,000 is made otherwise than by an account payee cheque or an account payee bank draft is not allowable as a deduction while computing the income from business or profession of an assessee.

In order to curb generation of black money in immovable property transactions, Finance Bill, 2015 proposes to prohibit acceptance of any payment, or repayment of advance, of Rs.20,000 or more otherwise than by an account payee cheque or account payee bank draft or by electronic clearing system through a bank account, in relation to transfer of an immovable property by providing penalty of an equivalent amount.

(c) & (d) The Undisclosed Foreign Income and Assets (Imposition of Tax) Bill, 2015 has been tabled in Lok Sabha on 20-3-2015. The Bill proposes to provide a onetime compliance opportunity for a limited period to persons who have any undisclosed foreign assets which have hitherto not been disclosed for the purposes of Income-tax Act. Such persons may file a declaration before the specified tax authority within a notified period, followed by payment of tax at the rate of 30 percent and an equal amount by way of penalty within the notified period.

The tax compliance provisions shall be brought into effect by way of notification after the Bill is enacted.