

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2110
ANSWERED ON:05.12.2014
TAX ON AGRICULTURAL INCOME
Hemamalini Smt.

Will the Minister of FINANCE be pleased to state:

- (a) the total amount of agricultural income declared by tax payers for exemption in 2013-14;
- (b) the number of tax payers claiming exemption for agricultural income in the country;
- (c) the number of tax payers claiming such exemption belonging to poor and marginal farmers;
- (d) the details of the ten top claimants for tax exemption of agricultural income in 2013-14, name company and amount-wise;
- (e) whether Government proposes to relook and impose tax on agricultural income as most of the claimant belongs to rich farmers and companies; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

FINANCE MINISTER: (SHRI ARUN JAITLEY)

- (a) The total amount of agricultural income declared by taxpayers, in their Income-tax Returns filed upto November 28th 2014, for exemption in Financial Year (FY) 2013-14 corresponding to Assessment Year (AY) 2014-15 is Rs 9, 338 Cr.
- (b) the number of taxpayers claiming exemption for agricultural income in the country, based on the returns filed up to November 28th 2014, in Financial Year (FY) 2013-14 corresponding to Assessment Year (AY) 2014-15 is 402,736.
- (c) Filing of Income-tax Return by an individual is mandatory only when his total income exceeds the maximum amount which is not chargeable to tax, as prescribed by the Finance Act for the relevant year. Agricultural income being exempt from Income-tax is considered only for the purpose of aggregation in case where the total income exceeds the maximum amount which is not chargeable to tax. Therefore, no such data about poor and marginal farmers is available with the Income-tax Department.
- (d) The details of the top 10 claimants for tax exemption, based on the returns filed up to November 28th 2014, in Financial Year (FY) 2013-14 corresponding to Assessment Year (AY) 2014-15 is given in Annexure A.
- (e) There is no proposal to impose Income-tax on agricultural income.
- (f) The authority to levy tax is derived from the Constitution of India which lays down that no tax shall be levied or collected except by authority of law. The Constitution also allocates the legislative power between Centre and the states. Under the seventh Schedule of the Constitution as per entry No 82 in List-1, the Parliament is competent to legislate on taxes on income other than agricultural income whereas as per entry no 46 in List-II of the seventh Schedule, state legislature can legislate on taxes on agricultural income.