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12.19 hrs

MADAM SPEAKER: Matters under Rule 377*, listed for the day, may be treated as laid on the Table of the House.

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Title: Need to review and modify Section 115BBC of the Income Tax Act – Liad.

SHRIMATI BOTCHA JHANSI LAKSHMI (VIZIANAGARAM): The Section 115BBC of the Income Tax Act provides for levy of tax at the highest marginal rate of 30% plus surcharge on wholly charitable trust/institutions which are otherwise exempt under section 10 & 11 of the Act on donations given by anonymous person or institution. At present this provision adversely affects wholly charitable trusts. These trusts are mostly secular organizations working for the welfare of the weaker and needy sections of society. There is no such taxability for trusts with mixed objects (both religious and charitable). The provision will compel wholly charitable trusts to convert into religious-cum-charitable trust or formation of new charities for mixed purposes and abandon their secular and charitable nature.

The provision also affects those trusts/institutions working for handicapped persons, widows, children, animal shelters, free facilities for the poor etc. who are engaged in preserving ancient Indian texts, yoga, Sanskrit, as none of these activities has anything to do with capitation fees or running educational institutions. The affected trusts & institutions have made their representation to the Hon'ble Finance Minister.

I, therefore, request the Hon'ble Finance Minister, through you Madam Speaker, to review and suitably modify Section 115 BBC of the Income Tax Act to remove this anomaly.

* Treated as laid on the Table.