

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 1185

TO BE ANSWERED ON MONDAY 25TH NOVEMBER, 2019 AGRAHAYANA 4, 1941 (SAKA)

TAX CONCESSIONS

1185. SHRIMATI NUSRAT JAHAN RUHI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of total revenue which will be foregone annually with the reduction in corporate tax;
- (b) the manner in which the Government is planning to bridge the already existing gap of direct tax collection with the slash in corporate tax;
- (c) whether it is a fact that Tax concessions will bring investments in Make in India, boost employment and economic activity, leading to more revenue; and
- (d) if so, the details thereof along with the manner in which it is likely to be done?

ANSWER

THE MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

- (a) The reduction in corporate tax rates is expected to result in revenue loss of Rs 1,45,000/- cr. for FY 2019-20.
- (b) The stimulus provided by the corporate tax cuts is expected to have a multiplier effect in the economy. Fresh investment into India are expected to not only result in new job creation but also lead to increased incomes and hence increased tax collection in the medium to long run. Various steps are also being undertaken for widening and deepening of the tax net to boost revenue collections.
- (c) & (d) The reduced corporate tax rates are expected to attract fresh investment, create jobs and stimulate overall economic growth. There is always a time lag between announcement of policy measures to attract investment and actual investment taking place.

LOK SABHA

Un-starred Question No: **1185**

To be answered on: Monday, November 25, 2019/Agrahayana 4, 1941(Saka)

Tax Concessions

QUESTION	ANSWER
<p>1185. SHRIMATI NUSRAT: Will the Minister of FINANCE be pleased to state:</p> <p>(a) the details of total revenue which will be foregone annually with the reduction in corporate tax;</p> <p>(b) the manner in which the Government is planning to bridge the already existing gap of direct tax collection with the slash in corporate tax;</p> <p>(c) whether it is a fact that Tax concessions will bring investments in Make in India, boost employment and economic activity, leading to more revenue; and</p> <p>(d) if so, the details thereof along with the manner in which it is likely to be done?</p>	<p>(a) The reduction in corporate tax rates is expected to result in revenue loss of Rs 1,45,000/- cr. for FY 2019-20.</p> <p>(b) The stimulus provided by the corporate tax cuts is expected to have a multiplier effect in the economy. Fresh investment into India are expected to not only result in new job creation but also lead to increased incomes and hence increased tax collection in the medium to long run. Various steps are also being undertaken for widening and deepening of the tax net to boost revenue collections.</p> <p>(c) and (d) The reduced corporate tax rates are expected to attract fresh investment, create jobs and stimulate overall economic growth. There is always a time lag between announcement of policy measures to attract investment and actual investment taking place.</p>

