

**Government of India  
Ministry of Finance  
Department of Revenue**

**LOK SABHA  
UNSTARRED QUESTION NO. 2244  
TO BE ANSWERED ON MONDAY, MARCH 08, 2021  
PHALGUNA 17, 1942 (SAKA)**

**TAX CUTS FOR TOURISM AND HOSPITALITY SECTOR**

2244. SHRI ANUMULA REVANTH REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Tourism and Hospitality sector is one of the worst-hit sectors by the Covid-19 pandemic;
- (b) if so, the details of tax reduction done in the sector to save the Tourism and Hospitality Space; and
- (c) the subsector-wise details of financial reliefs given to the tourism sector keeping in view that the sector is one of the worst-hit by the pandemic?

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

(a) to (c): The closure of travel and tourism industry due to Covid-19 had a cascading effect on the livelihood of people dependent on tourism. Ministry of Tourism has engaged NCAER to conduct a study on "India and Coronavirus pandemic: Economic losses for household engaged in tourism and policies for recovery".

In view of the challenges faced by tax-payers due outbreak of covid-19, the government has taken several taxation measures to improve the liquidity in different sectors including tourism and hospitality. These measures inter-alia include:

- i. reduction of rates of Tax Deduction at Source and Tax Collection at Source for the non-salaried specified payment made to residents by 25% for the period from 14<sup>th</sup> May, 2020 to 31<sup>st</sup> March, 2021.
- ii. interest for delay in payment of income-tax (e.g. advance tax, TDS, TCS), Equalization Levy, Securities Transaction Tax, Commodities Transaction Tax due for payment from 20.03.2020 to 29.06.2020 to be charged at reduced rate of 9% per annum (0.75% per month), if the payment is made by 30.06.2020.
- iii. the date for payment of self-assessment tax in case of tax payers whose self-assessment tax liability is up to Rs. 1 lakh has been extended to 10<sup>th</sup> January, 2021 (for non-auditable cases) and to 15<sup>th</sup> February, 2021 (for cases where tax audit is mandatory).
- iv. issuance of refunds of over Rs. 1,95,736 crore to more than 1.93 crore taxpayers between 1<sup>st</sup> April 2020 to 22<sup>nd</sup> February, 2021.
- v. extension of Period of Vivad se Vishwas Scheme for making payment without additional amount to 30.04.2021.
- vi. GST Council had reduced the GST rates significantly for hotel accommodation. GST rate for room having rent above INR 7500 was reduced from 28% to 18%. Similarly, for rooms having rent from INR 2500/- to 7500/- per night was reduced from 18% to 12%. GST rates on restaurant and catering services have also been reduced significantly since the roll out of the GST.

Further, the Ministry of Tourism has taken a series of steps and has undertaken various activities/initiatives to overcome this crisis and to promote domestic tourism as per the details in Annexure.

\*\*\*\*\*

## Annexure

The following steps have been taken by the Ministry of Tourism, to overcome the crisis caused by Covid-19 pandemic in the tourism sector:

- i. Detailed operational guidelines for Covid safety and hygiene for hotels, restaurants, B&Bs/ Home stays and Tourism Service Providers have been formulated and issued on 08.06.2020 to facilitate smooth resumption of business.
- ii. Validity of approval or certifications of hotels and other accommodation units whose project approval/re-approval and classification/re-classification have expired / were likely to expire, has been extended upto 01<sup>st</sup> April, 2021.
- iii. The Ministry has developed an initiative called SAATHI (System for Assessment, Awareness & Training for Hospitality Industry), for effective implementation of Guidelines/SOPs issued with reference to COVID 19 and beyond for safe operations of Hotels, Restaurants, B&Bs and other units.
- iv. Operational Recommendations for safe resumption of business with easing of lockdown restrictions have been issued for various segments of the travel and hospitality industry and circulated amongst all stakeholders.
- v. Recognition of Travel Agents, Tour Operators, Tourist Transport Operators by the Ministry of Tourism has been extended automatically by six months. Those who have submitted applications for recognition by the Ministry have been given provisional recognition for six months, pending completion of required procedures.
- vi. In addition to the above steps taken by Ministry of Tourism, other agencies/Ministries of Government of India have declared stimulus packages like loan moratorium, waived off PF contribution, deferment of TCS up to [October 2020](#), collateral free automatic loan under Atmanirbhar Bharat package etc. to revive the economy and industry including units of the hospitality industry.

In order to tap international tourists, the Ministry of Tourism through the India Tourism Offices overseas proposes to undertake various promotional activities which include participation in travel fairs and exhibitions; advertising in the local print, electronic, outdoor and digital media; organizing webinars to highlight success stories around COVID-19 in India to build confidence among foreign tour operators and travellers, organizing Road Shows, India Evenings, Know India Seminars & workshops; organizing and supporting Indian Food Festivals and cultural festivals; offering brochure support to tour operators, and joint advertising/joint promotions with airlines, tour operators and other organizations, joint promotions in collaboration with the Indian Missions abroad etc.

The Ministry has undertaken the following activities / initiatives to promote Domestic Tourism:

- i. Dekho Apna Desh webinars.
- ii. Aerial Photography of key cities and cultural assets (Delhi, Chennai, Kolkata, Mumbai, Bengaluru, Udupi, Aurangabad, Iconic Tourist sites) across the country during lockdown.
- iii. Regular consultations with industry stakeholders on issues related to opening up of Tourism sector,
- iv. Handling of tourists, protocols of safety and security, service standards etc.
- v. Domestic Tourism Promotion Campaign through Webinars, social media and other digital platforms.
- vi. Dekho Apna Desh Campaign has been the mainstay of Domestic Promotion. The main focus is to rebuild the trust of the domestic & international travellers in terms of India being the safe destination to travel in post Covid scenario.

\*\*\*\*\*