

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

LOK SABHA

UNSTARRED QUESTION NO. 3178

TO BE ANSWERED ON MONDAY, MARCH 15, 2021

PHALGUNA 24, 1942 (SAKA)

TAX BENEFITS FOR BEEKEEPING

3178. SHRIMATI NAVNEET RAVI RANA:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that beekeeping is neither considered an industry nor an agricultural activity and there is no tax benefit on beekeeping income; and
- (b) if so, the remedial steps taken/being taken by the Government by providing tax benefit and other monetary benefits for beekeeping?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) & (b):

(i) Beekeeping is an agro-based activity which is being undertaken by farmers/landless labourers in rural areas as a part of Integrated Farming System (IFS). Beekeeping has been useful in pollination of crops, thereby, increasing income of the farmers/beekeepers by way of increasing crop yield and providing honey and other beehive products, viz. royal jelly, bee pollen, propolis, bees wax, etc. that serves a source of livelihood for rural poor.

(ii) Under the Income Tax Act, 1961 ('Act'), the income from bee-keeping and production of honey and beeswax is chargeable to tax as 'Business Income'. No specific exemption for income from bee-keeping business is provided in the Act. However, in order to promote investments into apiculture, the investment-linked deduction is allowed to an assessee engaged in the business of bee-keeping and production of honey and beeswax under section 35AD of the Act, subject to conditions as prescribed in the said section with effect from Assessment Year 2013-14. Under the existing provisions of section 35AD of the Act, investment-linked tax incentive is provided to the assessee, if he opts, by way of allowing 100% deduction in respect of the whole of any expenditure of capital nature (other than on land, goodwill and financial instrument) incurred, wholly and exclusively for the purposes of the said business carried on by the assessee during the previous year in which such expenditure is incurred.

(iii) The GST Council has recommended concessional rate of 5% on branded natural honey packed in unit containers and 'NIL' GST on unbranded natural honey.

(iv) Further, Govt. of India is implementing "National Beekeeping & Honey Mission" for overall promotion and development of scientific beekeeping in the country.
