

DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 1495
ANSWERED ON- 14/03/2023
PHALGUNA 23, 1944 (SAKA)

MULTIPLE TAXES ON EQUITY

1495. SHRI RAJMANI PATEL

Will the Minister of FINANCE be pleased to state:

- (a) Whether it is a fact that there are multiple taxes imposed by Government on sale/purchase of equity including income tax, GST, stamp duty and transaction tax;
- (b) if so, the reasons for imposing multiple taxes when Government has time and again announced that there would be “One nation-One Tax”; and
- (c) whether Government would consider reducing the taxes on sale/purchase of equity and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b): Under the provisions of the Income tax Act, 1961 (“the Act”), income from trading in equity is chargeable to tax as income from business or profession. Further, gains from sale of equity is considered to be capital gains which is taxable under the Act as capital gains. Furthermore, securities transaction tax is applicable to all taxable securities transactions. Income-tax will be chargeable either on business income or on capital gains. Securities Transaction Tax is not a tax on income, rather a transaction tax leviable under separate entry of the Constitution.

The sale/ purchase of equity does not attract GST as GST is levied on the supply of goods and services and securities have been excluded from the definition of both goods and services for the purpose of GST laws.

(c): There is no such proposal under consideration at the time.
