

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UN-STARRED QUESTION NO. 3098

ANSWERED ON 28.03.2023

AMENDMENTS PROPOSED IN PROVISIONS RELATING TO CHARITABLE TRUSTS

3098 SHRI SANJEEV ARORA:

Will the Minister of **Finance** be pleased to state:

whether amendments proposed in provisions relating to charitable trusts would not lead into taxing the income of Charitable Organisations and would affect charitable activities?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

Finance Bill, 2023 has proposed several amendments to the provisions relating to charitable trusts and institutions claiming exemption under the Income-tax Act, 1961 (the Act) so as to ensure that legislative intention of providing exemption to such charitable organisations is fulfilled i.e. such charitable organisations apply their income only towards the charitable objects/purposes for which they have been established and comply with conditions subject to which they are granted exemption under the Act.

II. It may be noted that the Finance Bill, 2023 has also proposed several amendments so as to ease the compliance burden of charitable trusts and institutions claiming exemption under the Act, such as doing away with a two-step registration (first provisional and then regular registration) for trusts and institutions which have already commenced their activities, alignment of time for filing statement of accumulation and audit report, etc.

III. It may be pertinent to note that successive Finance Acts since 2020 have made several amendments relating to the provisions to charitable organisations so as to reduce their compliance burden, rationalise the provisions governing them and provide tax certainty. The changes would not result in taxing income of charitable entities which comply with the provisions under the Act.
