

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
STARRED QUESTION NO. *232
ANSWERED ON 17/12/2024

TAX RELAXATIONS IN CORPORATE SECTOR

*232. DR. JOHN BRITTAS:

Will the Minister of FINANCE be pleased to state:

- (a) the rates and scales of corporate tax levied during last three years, year-wise;
- (b) the details of total amount collected as corporate tax during this period, year-wise and State-wise;
- (c) the details of the percentage contribution of corporate tax to total tax revenue and to GDP during last three years, year-wise;
- (d) the total savings made by corporate sector due to tax relaxations during last three years;
- (e) whether top 10 per cent of BSE 500 firms enjoy lower effective tax rates, if so, the details thereof; and
- (f) the total revenue foregone through tax deductions to Corporates during last three years?

ANSWER

THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (f): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) in respect of Rajya Sabha Starred Question No. *232 for reply on 17.12.2024 regarding Tax relaxations in corporate sector asked by Dr. John Brittas.

(a) The rates and scales of corporate tax levied during last three years are as under:

A. I. Corporate Tax Rate during last three years [Assessment Year (AY) 2022-23, AY 2023-24 and AY 2024-25]

Description	Rate of tax
I. In the case of a domestic company	
AY 2024-25 (i) Where total turnover or the gross receipt in the previous year 2021-22 does not exceed four hundred crore rupees;	25 %
AY 2023-24 (i) Where total turnover or the gross receipt in the previous year 2020-21 does not exceed four hundred crore rupees;	
AY 2022-23 (i) Where total turnover or the gross receipt in the previous year 2019-20 does not exceed four hundred crore rupees;	
(ii) Other than referred in item (i)	30%
II. In case of a company other than domestic company	
(i) on so much of the total income as consists of,— (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31.03.1961 but before the 1.04.1976; or (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the	50%

29.02.1964 but before the 1.04.1976, and where such agreement has, in either case, been approved by the Central Government;	
(ii) on the balance, if any, of the total income	40%

A. II. Rates of Corporate tax in special cases (AY 2022-23, AY 2023-24 and AY 2024-25):

<i>Sr.no</i>	<i>Section of Income-tax Act</i>	<i>Rate</i>
1.	Certain manufacturing domestic companies, opting for provisions of section 115BA subject to fulfilment of conditions as laid down in the Act	25%
2.	Domestic companies, opting for provisions of section 115BAA subject to fulfilment of conditions as laid down in the Act	22%
3.	Certain new manufacturing domestic companies, opting for provisions of section 115BAB subject to fulfilment of conditions as laid down in the Act	15%
4.	Minimum Alternative tax, on the book profit, as may be applicable to companies covered under provisions of section 115JB	15%

B. Rate of Surcharge (AY 2022-23, AY 2023-24 and AY 2024-25)

The amount of income-tax shall be increased by a surcharge on the amount of income-tax computed, for the purposes of the Union calculated as under:

<i>Description</i>	<i>Rate of surcharge</i>
i. in the case of a domestic company,-	
(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees,	7%
(b) having a total income exceeding ten crore rupees	12%
ii. in case of every company other than a domestic company –	
(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees,	2%
(b) having a total income exceeding ten crore rupees	5%

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

In case of every domestic company whose income is chargeable to tax under section 115BAA or section 115BAB of the Income-tax Act, the income-tax computed under this subsection shall be increased by a surcharge, for the purposes of the Union, calculated at the rate of ten per cent of such income-tax.

C. Cess

Further, the amount of corporate tax and applicable surcharge shall be increased by the amount of cess as may be applicable for the relevant year.

Assessment Year	Cess
2022-23	4% (Health & Education cess)
2023-24	4% (Health & Education cess)
2024-25	4% (Health & Education cess)

(b) The year-wise details of corporate tax collected in the last three years are as under:

(Rs. In Crore)

Financial Year	Corporate Tax
2021-22	7,12,037
2022-23	8,25,834
2023-24	9,11,055*

Source: Pr.CCA (CBDT)

*Provisional

The state-wise details of corporate tax collected in the last three years are as under:

State-wise Corporate tax collected in the last three years

(Rs. in Crores)

Sl.No.	State	AY 2021-22	AY 2022-23	AY 2023-24
1	ANDAMAN AND NICOBAR ISLANDS	15.23	19.20	24.90
2	ANDHRA PRADESH	3,272.40	4,425.86	5,489.95
3	ARUNACHAL PRADESH	30.95	35.73	18.98
4	ASSAM	2,314.07	3,572.05	4,414.66
5	BIHAR	1,260.63	1,427.65	1,330.27
6	CHANDIGARH	707.18	1,246.45	1,428.94
7	CHATTISGARH	2,411.19	3,667.95	4,165.29
8	DADRA NAGAR AND HAVELI	204.53	327.55	279.07
9	DAMAN AND DIU	52.71	72.99	69.60
10	DELHI	70,328.36	95,127.36	1,08,596.09
11	GOA	805.49	913.35	1,183.25
12	GUJARAT	23,891.30	33,262.82	40,947.79
13	HARYANA	12,386.38	18,417.83	22,647.26
14	HIMACHAL PRADESH	727.75	911.53	848.18
15	JAMMU AND KASHMIR	397.26	674.90	974.54
16	JHARKHAND	1,475.74	1,624.83	2,329.01
17	KARNATAKA	45,150.59	58,901.47	72,825.60
18	KERALA	6,835.92	7,765.11	9,133.39
19	LADAKH	0.02	0.37	0.53
20	LAKSHADWEEP	0.47	0.33	0.42
21	MADHYA PRADESH	4,827.46	6,649.70	7,506.87
22	MAHARASHTRA	2,33,901.21	2,98,398.47	3,39,511.39
23	MANIPUR	25.25	29.44	43.04
24	MEGHALAYA	102.84	195.16	342.32
25	MIZORAM	0.84	8.03	0.57
26	NAGALAND	11.17	22.18	17.35
27	ORISSA	5,279.47	8,344.91	10,659.42
28	PUDUCHERRY	101.45	150.86	234.37
29	PUNJAB	2,996.21	5,089.30	4,796.33
30	RAJASTHAN	7,518.38	9,991.71	11,880.29
31	SIKKIM	124.41	199.24	193.07
32	TAMIL NADU	27,143.22	37,643.26	47,760.20
33	TELANGANA	23,331.93	31,143.10	31,861.64
34	TRIPURA	36.75	48.01	48.48
35	UTTAR PRADESH	6,144.75	8,876.70	10,175.09
36	UTTARAKHAND	3,477.07	10,272.99	14,459.69
37	WEST BENGAL	25,622.71	32,428.45	33,509.82
38	FOREIGN	30,986.19	50,584.10	68,042.70
TOTAL		5,43,899.48	7,32,470.94	8,57,750.36

Source: DGIT(Systems)

Note : PAN assignment with states is based on state-code mentioned in the communication address part of ITR. If state code is not available in ITR, then state-code in address mentioned in the PAN master has been considered.

'Foreign' - The communication address belongs to a foreign country.

- (c) The details of the percentage contribution of corporate tax to total tax revenue and to GDP during last three years, year-wise are as under:

(Rs. In Crore)

Financial Year	Corporate Tax	Total Tax Revenue (Direct + Indirect)	GDP (Current Market Price)	Percentage of Corporate tax to tax revenue	Percentage of Corporate tax to GDP
2021-22	7,12,037	27,02,084	2,35,97,399	26.4%	3.0%
2022-23	8,25,834	30,45,621	2,69,49,646	27.1%	3.1%
2023-24 (Provisional)	9,11,055	34,56,019	2,95,35,667	26.4%	3.1%

Source: Time Series Data as published by the Income Tax Department

- (d) In principle, the concept of savings on account of tax relaxations is not recognised in the Income-tax Act, 1961. However, the domestic companies can opt for tax rates in certain special cases under section 115BA, section 115BAA and section 115BAB of the Income-tax Act. Further, the domestic companies are provided certain deductions and exemptions under different provisions of the Income-tax Act. In this regard, the reply to part (f) of the Question may kindly be referred to.
- (e) The BSE 500 Index is a comprehensive stock market index that tracks the performance of the top 500 companies listed on the Bombay Stock Exchange. The top 10 per cent of BSE 500 do not include firms in the first place.

In India, all companies pay taxes on their income as per the rates prevailing under the Income-tax Act, 1961. No lower rates are prescribed for the top 10 per cent of BSE 500.

- (f) The total revenue foregone through tax deductions to Corporates during last three years has been laid before the Parliament as part of Budget Documents and the same is as under:

Financial Year	Total Revenue Foregone (In Rs. Crore)
2020-21	75,218.02
2021-22	96,892.39
2022-23 (Projected)	1,09,333.38

Source: Receipt Budget 2023-24 and 2024-25
