

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**DEPARTMENT OF REVENUE**

**LOK SABHA**  
**UNSTARRED QUESTION NO.551**  
**TO BE ANSWERED ON FRIDAY, THE 18<sup>TH</sup> NOVEMBER, 2016**  
**KARTIKA, 27, 1938(SAKA)**

**TAX ON ACQUISITION OF IMMOVABLE PROPERTY**

**551. SHRI CHANDRAKANT KHAIRE:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of High Court of Kerala decision to pay compensation to petitioners without deduction of any amount towards Income Tax and Stamp Duty in response to their writ petitions filed regarding payment of compensation on acquisition of immovable property;
- (b) if so, the details thereof;
- (c) whether the Government proposes to make consequential amendments in Section 10 and Section 194LA of the Income Tax Act, 1961 retrospectively from 01.01.2014 and refund the tax collected till date; and
- (d) if so, the details thereof and action taken thereon?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHRI SANTOSH KUMAR GANGWAR)**

(a) & (b) Yes, Madam. The Government is aware of many cases of High Court of Kerala relating to compensation received by petitioners on the matter of acquisition of immovable property. Since, the details of the specific High Court of Kerala case has not been provided in the question, it is not possible to provide further details. However, CBDT vide Circular No. 36/2016 dated 25.10.2016 has clarified that compensation received in respect of award or agreement which has been exempted from levy of Income Tax vide section 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 shall not be taxable under the provisions of the Income-tax Act, 1961 even if there is no specific provision of exemption for such compensation in Income-tax Act, 1961.

- (c) At present there are no such proposals for legislative amendments in the Income-tax Act, 1961.
- (d) Does not arise in view of (c) above.

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