

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

**LOK SABHA
UNSTARRED QUESTION NO. 299
TO BE ANSWERED ON FRIDAY, THE 3RD FEBRUARY, 2017
14 MAGHA, SAKA 1938**

ROLLING BACK OF TCS

299. DR. UDIT RAJ:

Will the Minister of FINANCE be pleased to state:

- (a) whether under provisions of section 206 C of the Income Tax Act, Tax Collected at Source (TCS) is applicable on timber obtained under forest produce in India under a forest lease or other than that, if so, the details thereof;
- (b) whether TCS is collected at the rate of 2.5% for timber imported into India, if so, the details thereof;
- (c) whether the timber merchants have made a request to roll back the TCS, if so, the details thereof; and
- (d) the steps taken by the Government in this regard?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SH. SANTOSH KUMAR GANGWAR)**

- (a) Under Section 206 C of the Income-tax Act, 1961, Tax Collected at Source (TCS) is applicable at the rate of 2.5% on the sale of timber obtained under a forest lease and 2.5% on timber obtained by any mode other than under a forest lease.
- (b) Yes Madam, TCS is applicable at the rate of 2.5% on timber imported into India.
- (c) Yes Madam. An association of timber merchants has requested for roll-back of the provisions of tax collection at source in case of imported timbers.
- (d) The suggestions regarding amendments to provisions of direct tax laws were examined during the annual Budget exercise, 2017 and the suggestions for roll-back of TCS were not found to be feasible.
