

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 4733**

**TO BE ANSWERED ON FRIDAY, THE 23RD MARCH, 2018
2, CHAITRA, 1940 (SAKA)**

LONG TERM CAPITAL GAINS

4733. SHRI PRASUN BANERJEE:

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

- (a) the main recommendations of the Kelkar Committee on Long Term Capital Gains Tax (LTCGT) and Security Transaction Tax (STT);
- (b) whether imposing LTCGT and STT on the equity trade amount to double taxation; and
- (c) if so, the details thereof and the rationale behind the move?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)**

- (a) Madam, the Task Force on Direct Taxes (chaired by Dr. Vjay L. Kelkar) in its report submitted in 2002 recommended the abolition of tax on long-term capital gains on listed equity as part of a package of measures comprising, *inter alia*, of alignment of the corporate tax rate with the top marginal personal income tax rate of 30%, immediate abolition of all tax incentives without any grandfathering and abolition of tax on dividend. However, the 2002 Kelkar's report did not make any recommendation on the introduction of Securities Transaction Tax.
- (b) No.
- (c) Does not arise.
