

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION NO. 5080

TO BE ANSWERED ON MONDAY, APRIL 3, 2023/ CHAITRA 13, 1945 (SAKA)

**IMPLICATIONS OF REMOVING THE MINIMUM THRESHOLD ON ONLINE
GAMING PLATFORMS**

5080. SHRI RAJVEER SINGH (RAJU BHAIYA):

SHRI BHOLA SINGH:

SHRIMATI SANGEETA KUMARI SINGH DEO:

SHRI RAJA AMARESHWARA NAIK:

SHRI VINOD KUMAR SONKAR:

DR. SUKANTA MAJUMDAR:

DR. JAYANTA KUMAR ROY:

Will the Minister of FINANCE be pleased to state:

- a) whether the Government is aware of the implications of removing the minimum threshold on online gaming platforms for the ease of doing business and if so, the details thereof and the reaction of the Government thereto;
- b) the measures taken by the Government to promote the online gaming industry given its huge potential to add value to the GDP of the country;
- c) the reasons for removing minimum threshold of Rs. 10,000 under Section 194BA of the Finance Bill, 2023 pertaining to TDS applicable on online gaming while the threshold of Rs. 10,000 was retained for betting and gambling under Sections 194B and 194BB for TDS purposes;
- d) the provisions applicable to online gaming Industry under the Finance Bill, 2023;
- e) whether these provisions will enable ease of doing business for the said sector and if so, the details thereof; and
- f) the steps proposed to be taken by the Government to promote the growth of this sunrise sector?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a), (b), (c) and (d): Finance Act 2023 has amended section 194B of the Income-tax Act (the Act) relating to winnings from lottery or crossword puzzle etc. and section 194BB of the Act relating to winnings from horse race to provide that deduction of tax under the aforesaid sections shall be on the amount or aggregate of the amounts exceeding Rs. 10,000/- during the financial year.

Further, vide the Finance Act 2023, online games have been removed from the purview of section 194B of the Act and section 194BA has been inserted in the Act with effect from 1st April 2023, to provide for tax deduction at source (TDS) at the rate of 30% on “net winnings” from online games. The minimum threshold of Rs. 10,000/- has been removed since TDS under section 194BA of the Act is applicable on the “net winnings” in the user account.

In addition, vide Finance Act 2023, section 115BBJ has been inserted in the Act which provides for taxation at a rate of 30% on net winnings from online games.

(e) and (f): The Government has provided certainty in taxation for the online gaming sector which will enable ease of doing business and will help the industry in its growth.
