

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1301**

ANSWERED ON 11<sup>th</sup> DECEMBER, 2023

**“BENEFITS TO COOPERATIVE SOCIETIES UNDER INCOME TAX ACT”**

**1301. Shri Ravinder Kushwaha:**

“Will the Minister of *Finance* be pleased to state: -

- (a) *the steps taken by the Government during last three years to provide benefits to the Cooperative Societies under the Income Tax Act;*
- (b) *whether the Government has issued any clarification on Section 269ST of the Income Tax Act; and*
- (c) *if so, the details thereof?”*

**ANSWER**

MINISTER OF STATE IN THE MINISTER OF FINANCE  
**(SHRI PANKAJ CHOUDHARY)**

**Answer (a)**

- Finance Act, 2020 carried out the following amendments in the Income-tax Act, 1961 (the Act) to provide benefits to the Cooperative Societies-
  - (i) Section 115BAD had been inserted in the Act to provide benefit of a lower tax rate of 22 percent in case of resident co-operative society from AY 2021-22.
  - (ii) Section 115JC of the Act had been amended so as to provide that the provisions relating to Alternate Minimum Tax (AMT) shall not apply to such co-operative society who have exercised the option referred to in section 115BAD of the Act from AY 2021-22.
  - (iii) Section 115JD of the Act had been amended so as to provide that the provisions relating to carry forward and set off of AMT credit, if any, shall not apply to such co-operative society who have exercised the option referred to in section 115BAD of the Act from AY 2021-22.
- Finance Act, 2022 carried out the following amendments in the Act to provide benefits to the Cooperative Societies-
  - (i) Section 115JC of the Act amended so as to provide for the alternate minimum tax (AMT) payable by co-operative societies at a lower rate of 15 percent.
- Finance Act, 2023 carried out the following amendments in the Act to provide benefits to the Cooperative Societies –

- (i) Section 115BAE had been inserted in the Act to provide benefit of a lower tax rate of 15 per cent of new co-operatives that commence manufacturing activities till 31.03.2024.
- (ii) Section 155 had been amended to provide an opportunity to sugar co-operatives to claim payments made to sugarcane farmers for the period to assessment year 2016-17 as expenditure. Consequential amendment had been made to section 154 of the Act.
- (iii) Section 269SS had been amended to provide a higher limit of Rs. 2 lakh per member for cash deposits or repayment of loans in cash to Primary Agriculture Co-operative Societies (PACS) and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs).
- (iv) Section 269T had been amended to provide a higher limit of Rs. 2 lakh per member for cash deposits or repayment of loans in cash by Primary Agriculture Co-operative Societies (PACS) and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs)
- (v) Section 194N had been amended to provide for TDS at the rate of 2% on cash withdrawal shall apply on cash withdrawal in excess of Rs. 3 crore, in case of co-operative societies.

**Answer (b)**

Yes, CBDT issued one notification and two clarification circulars on Section 269ST of the Act.

**Answer (c)**

The notification and two circulars issued on Section 269ST of the Act are as follows: -

S. No.	Notification/Clarification/Circular number	Issued by
1.	Notification No. 57/2017 dated 03.07.2017	TPL Division of CBDT
2.	Circular No. 22 of 2017 dated 03.07.2017	TPL Division of CBDT
3.	Circular No. 25/2022 dated 30.12.2022	ITA-II Division of CBDT

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