

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 150**

TO BE ANSWERED ON MONDAY 18<sup>TH</sup> NOVEMBER, 2019 KARTIKA 27, 1941 (SAKA)

**SUGGESTION ON TAX CUT**

150. SHRI T.R. BAALU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the suggestion of Nobel Prize, 2019 awardee for economics that the Government should consider reversing the recent corporate tax cuts because it will further increase the fiscal burden and instead, that money should be spent through higher allocation to PM- KISAN Scheme and enhancing MGNREGA Wages;
- (b) if so, whether the Government will come forward to consider the suggestions in the interest of improving the economy of the country; and
- (c) if not, the reasons thereof?

**ANSWER**

THE MINISTER OF STATE IN MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

(a), (b) and (c) Rates of corporate taxes have been reduced with an intent to attract fresh investment, create jobs and stimulate overall economic growth. These measures are expected to result in revenue loss of Rs 1,45,000/- cr.

However, the stimulus provided by the corporate tax cuts is expected to have a multiplier effect in the economy. Fresh investment into India are expected to not only result in new job creation but also lead to increased incomes and hence increased tax collection in the medium to long run.

Every suggestion is examined during the preparation of the Union Budget and the response of the Government is reflected in the budget that is presented annually.

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