

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 3590

TO BE ANSWERED ON MONDAY 16TH MARCH, 2020 PHALGUNA 26, 1941 (SAKA)

CORPORATE TAX

3590. SHRI JASBIR SINGH GILL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has reduced corporate tax from 30 per cent to 22 per cent on Corporates while this tax has not been reduced on co-operatives which is injustice to the co-operatives as the co-operatives, mostly dairy, are facing crisis; and
- (b) if so, whether the Government will reduce corporate tax on co-operatives?

ANSWER

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

(a) and (b) : The Taxation Laws (Amendment) Act, 2019, *inter-alia*, inserted section 115BAA to the Income- tax Act, 1961 (the Act) to provide for a concessional tax rate of 22% for existing domestic companies subject to certain conditions including that they do not avail of any specified incentive or deductions. It has also been provided that the existing domestic companies opting for the concessional taxation regime shall not be required to pay any Minimum Alternate Tax.

2. On the lines of the reduction in corporate tax rates for existing domestic companies, the Finance Bill, 2020 has proposed to insert section 115BAD to the Act to provide a concessional taxation regime for co-operative societies resident in India, wherein they can opt to pay tax at the reduced rate of 22 % subject to certain conditions including that they do not avail of any specified incentive or deductions. The co-operative societies opting for the said concessional taxation regime will also not be required to pay any Alternate Minimum Tax.
