

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1502
ANSWERED ON:02.12.2005
MIGRATION TO EET SYSTEM
Chakraborty Shri Swadesh

Will the Minister of FINANCE be pleased to state:

- (a) whether an expert committee on proposed migration to the Exempt Exempt Tax system has submitted its report;
- (b) if so, the details of the recommendations made by the Committee;
- (c) the likely impact of the EET system on the saving instruments and the contributors in Provident Fund, small savings and insurance policies; and
- (d) the steps taken/proposed to be taken by the Union Government to ensure that the EET system does not cause hardship to the public with small savings including the senior citizens?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a) to (d): The Finance Minister in his Budget Speech, 2005-06 had announced the decision of the Government to adopt an Exempt Exempt Tax (EET) method of taxation of savings in accordance with the best international practice. In order to resolve a number of administrative issues, a Committee of Experts was set up to work out the roadmap for moving towards an EET method of taxation of saving instruments. The Committee has submitted its report on 28.11.2005 and the same is under consideration of the Government.