

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1554
ANSWERED ON:02.12.2005
FBT AND SSI
Kaswan Shri Ram Singh

Will the Minister of FINANCE be pleased to state:

- (a) the total revenue from Fringe Benefit Tax (FBT) as on July 31, 2005;
- (b) the proportion of such FBT coming from Small Scale Industries (SSIs);
- (c) whether the Union Government has ever been evaluating the impact of SSIs on the total collection of FBT;
- (d) if so, the details thereof;
- (e) whether information about the complex rules of FBT is spread, being spread to SSIs;
- (f) if so, the details thereof;
- (g) whether the Government plan to simplify the rules/procedure regarding FBT in the larger interest of SSIs;
- (h) if so, the details thereof; and (i) if not, the reasons therefor?

Answer

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

- (a) The total revenue from Fringe Benefit Tax as on July 31, 2005 amounted to Rs. 583.45 crore.
- (b) The contribution of Small Scale Industries (SSIs) in the total collections under Fringe Benefit Tax is not ascertainable as the Government does not maintain separate record of taxes paid by SSIs.
- (c) No such evaluation has been undertaken by the Government.
- (d) Does not arise in view of reply to para (c) above.
- (e) & (f) Interactive sessions with all categories of tax- payers are being held on a continuous basis to educate them about the Fringe Benefit Tax. A detailed circular explaining the provisions of FBT and also containing Frequently Asked Questions (FAQs) has been issued and is available on the official website of the Department (incometaxindia.gov.in).
- (g), (h) &
- (i) The existing provisions of FBT do not provide for different rules for different categories of tax payers. Thus, there are no separate set of rules governing the liability to pay FBT on the part of SSIs.