

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4293
ANSWERED ON:19.05.2006
RELIEF TO COMMISSION AGENTS
Khanna Shri Avinash Rai

Will the Minister of FINANCE be pleased to state:

- (a) whether any charges are fixed on withdrawal of a certain amount of money from a bank;
- (b) if so, the details thereof;
- (c) whether the Government proposes to give exemption to the commission agents, who withdraw amounts to make the payment to the farmers;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor; and
- (f) the details of action taken by the Union Government to reconcile the discrepancies in the Act and Rule on Income Tax on matters like payment made to the cultivators and relief to commission agents etc.?

Answer

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

- (a) Yes Sir.
- (b) The Finance Act, 2005 has, w.e.f. 1.6.2005, introduced a new levy, namely the banking cash transaction tax (BCTT) at the rate of 0.1 percent, inter alia, on withdrawal of cash exceeding Rs.25000 in case of Individual/HUF and Rs.1,00,000 in other cases on a single day from an account (other than a savings bank account) maintained with any scheduled bank.
- (c), (d), (e) & (f) BCTT has been levied to track flow of cash withdrawal so that it does not enter into parallel economy. As the burden of this levy is extremely low (Rs.100/- on withdrawal of Rs.1,00,000/-), there is no proposal to exempt any class of persons from the levy of this tax.