

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3406
ANSWERED ON:15.12.2006
TAX ON AGRICULTURAL INCOME
Dhindsa Shri Sukhdev Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has received any representations with regard to the plight of farmers in Sangrur district of Punjab due to levy of tax on their agricultural land;
- (b) if so, complete details thereof; and
- (c) the manner in which the Government proposes to mitigate the problems faced by the Punjab farmers?

Answer

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

(a) No representation has been received regarding levy of Central Income-tax on agricultural land of farmers in Sangrur district of Punjab. In fact, agricultural income is exempt from Central Income-tax. Even the capital gain arising from the transfer of agricultural land situated beyond the specified urban limits is exempt from Central Income-tax. Further, capital gain arising from the compulsory acquisition of agricultural land situated within specified urban limits is also exempt from Central Income-tax.

(b)&(c) Do not arise in view of reply to Part (a).