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Title: > Moved the Income-Tax (Second Amendment) Bill, 1998. Motion for Consideration - adopted>

14.53 hours

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): I rise to move for consideration the Income-tax (Second Amendment) Bill, 1998. The Bill seeks to amend the Income-tax Act, 1961, to extend and clarify certain fiscal incentives and to remove some anomalies in certain sections of the Income-tax Act.

I propose to amend Section 10 (23G) to allay the apprehensions generated among certain tax-payers that the benefit of the provision may not be available to investments made prior to 1.6.1998. The proposed amendment seeks to clarify that the exemption available under Section 10 (23G) in respect of income from investment made before the 1st day of June, 1998 shall continue to be governed by the provision as it stood before its amendment by the Finance (No.2) Act, 1998.

I also propose to extend the existing five year tax holiday benefits available to Export Processing Zones and Export Oriented Units, under Sections 10A and 10B of the Income-tax Act, to ten years.

With a view to remove sluggishness in the commercial vehicle sector, I further propose an amendment to Section 32 to provide that depreciation on commercial vehicles acquired by the assessee on or after the 1st day of October, 1998 but before the 1st day of April, 1999 and put to use before the 1st day of April, 1999 for the purpose of business shall be allowed at full percentage prescribed for such assets, irrespective of the period of user of the assets during the relevant year.

With a view to harmonize Section 44 AD and Section 44 AE providing for provide for compulsory maintenance and audit thereof in such cases with effect from 1.4.98, I also propose amendments to Sections 44 AD and Section 44 AE to extend the benefit of option for offering lower profits under these Sections for the assessment year 1997-98.

Under section 80P of the Income-tax Act, profits derived by a cooperative society engaged in the marketing of agricultural produce of its members are fully deductible in computing the taxable income. The deduction was intended for primary cooperative societies marketing the agricultural produce of their farmer members. The hon. Supreme Court in the case of Assam Cooperative Marketing Federation Limited held that if it was not so understood, even a cooperative society comprising traders dealing in agricultural produce would become entitled to exemption. However, the Supreme Court has reconsidered the said decision in the case of Kerala State Cooperative Marketing Federation and held that the use of the words "of its members" in the relevant clause could mean the agricultural produce belonging to the members and not necessarily grown by them. The broader interpretation given to the use of the words in the provision is not in accordance with the legislative intent of the existing provision. If an amendment in section 80 P (2) (a) (iii) is not made, it is likely to have serious impact on revenues and to extend the benefit to trading societies. The amendment seeks to restrict the deduction to the profits derived by a cooperative society engaged in the marketing of agricultural produce grown by its members.

As these important fiscal concessions and clarifications have impact on incomes and revenues of the current year, I would, madam, seek that the Bill be considered and passed with expedition.

It is also a very simple amendment. I hope the House will pass it without much discussion.

I beg to move:*

"That the Bill further to amend the Income-tax Act, 1961, be taken into consideration."

MR. CHAIRMAN: Motion moved:

"That the Bill further to amend the Income-tax Act, 1961, be taken into consideration."

* Moved with the Recommendation of the President

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श्री माधवराव पाटील (नासिक) : माननीय सभापति जी, आपने मुझे बोलने का मौका दिया, इसके लिए आपको धन्यवाद। मैं बिल के संबंध में ज्यादा कुछ नहीं बोलना चाहता, लेकिन आपके द्वारा वित्त मंत्री जी का ध्यान इस ओर आकर्षित करना चाहता हूँ कि गवर्नमेंट टैक्स, गवर्नमेंट रेवेन्यू भरने में आम आदमी को बहुत कठिनाई होती है। मार्च के अंत में सभी नेशनलाइज्ड बैंकों से गवर्नमेंट का पैसा लेने में बड़ी दिक्कत आती है और सभी नेशनलाइज्ड बैंक गवर्नमेंट रेवेन्यू जमा नहीं करते हैं, लोगों को तीन-तीन घंटे बैठना पड़ता है। इसलिए मार्च के एंड में इंकम टैक्स आफिस में टैक्स जमा करने के लिए स्टेट बैंक का एक्सटेंशन काउंटर खोला जाए और सभी राष्ट्रीयकृत बैंकों में गवर्नमेंट का रेवेन्यू स्वीकार करने के लिए अलग से व्यवस्था की जाए।

दूसरा मेरा यह कहना है कि जो परमानेंट एकाउंट नम्बर, बैंक एकाउंट खोलने के लिए कम्प्लसरी किया गया है, जो उसकी ५०,००० रुपए की सीमा रखी है उसे पांच लाख तक किया जाए। परमानेंट एकाउंट नम्बर लेने के लिए लोगों को बड़ी कठिनाई होती है और नॉन बैंकिंग फाइनेंस कम्पनी में डिपॉजिट लेते वक्त

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की जरूरत नहीं होती। लोग इंकम टैक्स भरने के लिए तैयार हैं, लेकिन वे इंकम टैक्स के झंझट और आफिस से डरते हैं। इसलिए परमानेंट एकाउंट नम्बर लेना बंद करना चाहिए, यह मैं वित्त मंत्री जी से

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हटाने पर पुनर्विचार करने की मांग करता हूँ।

>SHRI SANSUMA KHUNGGUR BWISWMUTHIARY (KOKRAJHAR): Madam Chairperson, through you, I would like to draw the attention of the hon. Union Finance Minister to certain burning problems which are being faced by the plains tribal people of Assam. Interestingly, one very serious discrimination has been done against the plains tribal people of Assam in relation to the Income-tax.

In the entire North-Eastern Region, all the tribal people are getting exemption from payment of Income-tax. But the plains tribal people of Assam shall have to pay the Income-tax. So, this kind of a discrimination should not be done by the Union Government. So, I would like to request the hon. Union Finance Minister to do justice to the plains tribal people of Assam also on the lines of the hills tribal people. Even in the case of Assam itself, there are two Autonomous District Councils under the Sixth Schedule. The tribal people living in these two Autonomous District Councils, namely, Karbi Anglong and the North Cachar Hills are also getting exemption. But the plains tribal people of Assam are not getting the exemption. So, a great discrimination has been done against the Bodos and the other plains tribal people. So, in this regard, I would like to request the hon. Union Finance Minister to do justice...(Interruptions)

>15.00 hrs.

SHRI B.M. MENSINKAI (DHARWARD SOUTH): I have been requesting the hon. Finance Minister regarding the amendment of Sections 44AB and 44AF which provide for maintenance of accounts and auditing by Chartered Accountant. Section 44AB is also there. My request for including the amendment to Section 44AF is avoided. Therefore, in this connection, I would like to interfere and request the hon. Finance Minister to give concession to three lakh self-employed income-tax practitioners and income-tax advocates by amending Section 44AB and 44AF so that they may be benefited and may survive in their profession. But unfortunately, this request of mine is overlooked or not taken into consideration. I request the hon. Finance Minister to have a view in this matter.

वित्त मंत्री (श्री यशवंत सिन्हा): जैसा मैंने शुरू में कहा था ये जो संशोधन आए हैं वे आवश्यक थे, जिनको इसी सत्र में लाना आवश्यक था। कई सुझाव माननीय सदस्यों ने दिए हैं, उनको आगे बजट पेश करते समय ध्यान में रखा जाएगा।

MR. CHAIRMAN : The question is:

"That the Bill further to amend the Income-tax Act, 1961, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 to 8 stand part of the Bill."

The motion was adopted.

Clauses 2 to 8 were added to the Bill.

MR. CHAIRMAN : The question is :

That clause 1, the Enacting formula and the Long Title Stand Part of the Bill."

The motion was adopted

Clause 1, the Enacting Formula and the Title were added to the Bill.

श्री यशवंत सिन्हा: महोदय, मैं प्रस्ताव करता हूँ:

‘कि विधेयक को पारित किया जाए।’

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.
