

Extend tax relief for investment in infrastructure bonds

The Central Direct Tax Advisory Committee has suggested that the Finance Minister re-introduce the standard deduction for a sum of Rs 50,000. It also called for extension of investment for tax benefit in infrastructure bonds.

The committee meeting, held on Tuesday, was chaired by the Finance Minister, Mr Pranab Mukherjee. Members present during the meeting called for “extending the Section 80CCF of Income tax Act of deduction for investment in the infrastructure bonds, introduced from April 1 last year, for one more year and the monetary limit to Rs 50,000.”

They made various suggestions to improve tax administration, better taxpayer services and impetus to the economy. They said that benefit of nil TDS be extended to NBFCs under Section 194A of Income Tax Act.

In his address, the Finance Minister informed that Directorate of Transfer Pricing in the Ministry helped in saving Rs 66,085 crore during the last year by stopping the illegal transfer of money through transfer pricing. He also said legislative measures to obtain banking information through Double Taxation Avoidance Agreements and Tax Information Exchange Agreements are being negotiated.

He said that 25 tax treaties have been already concluded for improved exchange of information. India has also signed Multilateral Convention on Mutual Administrative Assistance in tax matters for automatic exchange of information, exchange of past information and assistance in collection of tax claims among others. He emphasised that the Government intends to develop and inculcate a tax structure which would have people recognise their role in the nation-building process and voluntarily pay taxes with tax administration acting as a facilitator.

(Hindu Business Line)