

Industry pitches for tax reforms removal of MAT in prebudget meet

A clear road map for corporate tax rate reduction, removal of minimum alternate tax (MAT) and the need to support start-ups figured on industry's wishlist for the forthcoming budget.

Industry chambers and trade unions, in their meeting with finance minister Arun Jaitley on Wednesday, suggested that the withdrawal of tax incentives should be in tandem with the reduction in corporate tax. "As far as taxation is concerned, we have asked for a clear roadmap on the 25% (corporate tax)... We are totally in support of removal of incentives and allowances," CII president Sumit Mazumder said.

Ficci president Harshvardhan Neotia too voiced that phasing out of the MAT, "once all the incentives and allowances are reduced", is required.

Addressing the gathering, Jaitley said that the current level of growth rate of our economy and sound fiscal fundamentals present better growth prospects for 2016-17 as well, a finance ministry statement said. The FM said the government will continue to raise public investment and requested businesses to raise private investment.

Meanwhile, IT industry body Nasscom suggested that startups should be given tax breaks as "most of the start-ups in the initial stage do not actually have too much of revenue and even less in terms of profits".

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