

Press Information Bureau
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Provision in the Finance Bill, 2015, will not Affect the LPG Subsidy and Other Welfare Subsidies Received by Individuals

Certain doubts have been raised in a section of the media about the applicability of the official amendment moved in the Finance Bill, 2015 in the Lok Sabha on 30th April, 2015 with respect to definition of ‘income’.

Sub-section (2) of section 145 provides that the Central Government may notify Income Computation and Disclosure Standards (ICDS) for any class of assessee or for any class of income. The Central Board of Direct Taxes (‘CBDT’) notified ICDS on 31.3.2015 vide Notification number S.O. 892 (E) after wide consultations with the stakeholders for which the draft was placed in the public domain. The ICDS is applicable to persons having income chargeable under the head “Profits and gains of business or profession” or “Income from other sources” and following Mercantile System of Accounting. This is not applicable to individuals not having any income chargeable under the head “Profits and gains of business or profession” and receiving LPG subsidy or any other subsidy which is for the welfare of the individual. The Finance Bill, 2015 proposes to align the definition of Income with that provided in ICDS for this purpose. To restate the position, the provision in the Finance Bill, 2015, will not affect the LPG subsidy and other welfare subsidies received by individuals.

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