

ಪತ್ರಿಕಾ ತುಣುಕುಗಳು
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No corporate tax cut for software, mining, printing

ENS ECONOMIC BUREAU @ New Delhi

THE reduction in corporate tax for new manufacturing units will not apply to industries such as software development, mining and printing of books, as the new taxation laws amendment Bill tabled in Parliament last week has exempted these industries. The Bill claims that these do not come under manufacturing.

Union Finance Minister Nirmala Sitharaman had on September 20 announced lowering of the base corporate tax rate to 22 per cent from 30 per cent for companies that do not seek exemptions. Also, the tax rate for some new manufacturing companies was reduced from 25 per cent to 15 per cent. The Taxation Laws (Amendment) Bill, 2019, which seeks to amend the Income Tax Act, 1961, was passed by the Lok Sabha on December 2, 2019.

Sitharaman, who was replying to a debate in the Rajya Sabha on the Bill, informed that the amendment carries a negative list of industries that will not qualify for lower tax rate meant for manufacturing companies that are set up on or after October 1, 2019, but begins production before 2023.

The Bill states that "benefit



Union Finance Minister Nirmala Sitharaman speaks in the Rajya Sabha during the ongoing Winter Session of Parliament in New Delhi on Thursday | PTI

Negative list

During a debate on Taxation Laws (Amendment) Bill, 2019, the finance minister said that the amendment carries a negative list of industries that will not qualify for lower tax rate meant for manufacturing companies that are set up on or after October 1, 2019, but begins production before 2023.

of this section shall not be available to the business of development of computer software in any form or in any media; mining; conversion of

marble blocks or similar items into slabs; bottling of gas into cylinder; printing of books or production of cinematograph film; or any other business notified by Central Government on this behalf.."

New manufacturing companies have been given the option to move to the higher 22 per cent tax bracket if they fail to satisfy conditions meant for availing lower rates, she said.

She added that the objective of providing a lower 15 per cent corporate tax rate for new manufacturing units was to draw new investment.

Sitharaman also promised to continue rollout of reforms to boost the economy.