

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
RAJYA SABHA  
UNSTARRED QUESTION No. 399**

**TO BE ANSWERED ON TUESDAY, THE 6<sup>TH</sup> FEBRUARY, 2018  
17, MAGHA, 1939 (SAKA)**

**REVISION OF INCOME TAX ACT**

**399: DR. PRADEEP KUMAR BALMUCHU:**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether it is a fact that Government is contemplating on bringing changes to Income Tax Act to reduce the tax burden and ease the tax return procedure;
- (b) if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SHIV PRATAP SHUKLA)**

- (a) Yes Sir.
  - (b) In order to reduce the tax burden, the Finance Bill, 2018 proposes to make the following changes to the Income-tax Act, 1961 ('the Act'):
    - (i) rate of income-tax is proposed to be reduced to 25% from 30% in the case of companies which show total turnover or gross receipts of up to Rs. 250 crore in FY 2016-17;
    - (ii) it is proposed to amend section 16 of the Act and allow a standard deduction of Rs. 40,000/- to salaried persons in lieu of the present exemption in respect of transport allowance (except in the case of differently-abled persons) and reimbursement of miscellaneous medical expenses;
    - (iii) it is further proposed to raise the limit of deduction for health insurance premium and/or medical expenditure from Rs. 30,000/- to Rs. 50,000/- in the case of senior citizens by amending section 80D of the Act;
    - (iv) it is also proposed to raise the limit of deduction for medical expenditure in respect of certain critical illnesses from Rs. 60,000/- in the case of senior citizens and Rs. 80,000/- in the case of very senior citizens to Rs. 1,00,000/- in the case of all senior citizens by amending section 80DDB of the Act;
    - (v) it is also proposed to increase deduction allowed to senior citizens on interest income from deposits with banks, co-operative societies and post offices from Rs. 10,000/- to Rs. 50,000/- by inserting a new section 80TTB in the Act;
    - (vi) it is proposed to provide 100% deduction in respect of profit of Farm Producer Companies having a total turnover of up to Rs. 100 crore for a period of five years from the financial year 2018-2019 by amending section 80P of the Act;
    - (vii) it is proposed to reduce the rate of alternate minimum tax to 9% from 18.5% in case of a unit located in an International Financial Service Center by amending section 115JC of the Act.
- In respect of easing of tax return procedure, it is stated that vide Finance Bill, 2018 it is proposed to allow an insolvency professional appointed by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 to verify the return during the resolution process under the said Code. It is further stated that return of income forms for AY 2018-19 are in the process of being finalized and that as a matter of simplification of return filing procedures, the said forms are regularly being rationalized.

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