

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

PRESS RELEASE

New Delhi, 20th November, 2015

Subject: Finance Minister's Budget announcement- phasing out plan of deductions under the Income-tax Act-reg-.

The Finance Minister in his Budget Speech, 2015 has indicated that the rate of corporate tax will be reduced from 30% to 25% over the next four years along with corresponding phasing out of exemptions and deductions. This is a step towards simplification of tax laws, which is expected to bring about transparency and clarity.

The Government proposes to implement this decision in the following manner:

- ✓ Profit linked, investment linked and area based deductions will be phased out for both corporate and non-corporate tax payers.
- ✓ The provisions having a sunset date will not be modified to advance the sunset date. Similarly the sunset dates provided in the Act will not be extended.
- ✓ In case of tax incentives with no terminal date, a sunset date of 31.3.2017 will be provided either for commencement of the activity or for claim of benefit depending upon the structure of the relevant provisions of the Act.
- ✓ There will be no weighted deduction with effect from 01. 04.2017.

The details of proposed phasing out of deductions are available on the website of the Department at www.incometaxindia.gov.in.

Comments on this proposal may be sent within 15 days to Director (TPL-III) on mail at dirtpl3@nic.in or by post at Director (TPL III), Central Board of Direct Taxes, Room No. 147G, North Block, New Delhi- 110001.

**(Shefali Shah)
Pr. Commissioner of Income Tax (OSD)
Official Spokesperson, CBDT**