

Corporate tax rate likely to come down

Finance minister Arun Jaitley on Thursday indicated corporate tax rate would be brought down further to attract investors.

He also assured investors that the government will maintain stability in tax policies.

The finance minister has already underlined the need to bring down the corporate tax rate from the current 30% to 25% over the next four years. The corporate tax rate in China is 25%, while in Singapore it is 17%. In the US, it is over 35%.

“We have been trying to maintain stability of tax policy...and one of the efforts is that corporate tax must be brought down to globally competitive rates because assesses world-over will be watching. Why should investors invest in jurisdictions where they have to pay higher rates?” Jaitley said while speaking at a Ficci function.

The minister also said that quoting the Permanent Account Number (PAN) for transactions beyond a particular limit would be gradually made mandatory, a move that is expected to reduce generation and circulation of black money.

The finance minister refused to accept demands to make the Income Declaration Scheme 2016 more attractive, saying it was “not a seasonal sale.”

(Hindustan Times)