

**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](http://www.incometaxindia.gov.in).

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

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