

## **57. UPA Has no Charity**

**By Gopal Krishna Agarwal,**

### **Income tax amendment affecting donations to charitable organisations**

**Imposing tax on these charitable organisations by the Government is injustice to the people and is absolutely unfair. On one hand, Government gives subsidies to many commercial organisations and on the other hand, it is taxing these organisations, which run gaushalas and other charitable projects for the welfare of all.**

Social service has been an important aspect of our life. Our scriptures have motivated people to devote their resources and energy for the welfare of our fellow men guiding us to a life of austerity. This path has led to establishment of many charitable and religious institutions in the country it has been one of the main reasons for our social fabric to remain intact, to spite of being devoid of any regulatory mechanism for social security. Whether it is the welfare of the destitute and incapable or the old people stray animals etc. these institutions depended on the donations from the influential and wealthy people since centuries. Now slowly and steadily the government is putting cut on these channels without establishing an alternative welfare mechanism.

A recent announcement in the Budget 2008-09 has amended section 115 BBC of Income Tax Act incorporating taxation on all anonymous donations at a flat rate of 30 per cent. It will affect lakhs of charitable institutions across the country. It is unthoughtful and inhuman on the part of the Government that it has imposed 30 per cent tax on donations received by the charitable trusts. As a result of such a tax, a large number of small and big non-governmental organisations engaged in charitable activities for the underprivileged would be left with less resources these institutions will now have to pay 30 per cent tax on the entire quantum of their receipts comprising anonymous donations.

Imposing tax on these charitable organisations by the Government is injustice to the people and is absolutely unfair. On one hand, Government gives subsidies to many commercial organisations and on the other hand, it is taxing these organisations, which run gaushalas and other charitable projects for the welfare of people.

Unlike foreign countries, India does not have any comprehensive policy on social security. In this situation, at least Government should not impose tax on these charitable organisations, because all these institutions are for the support of the needy people. Giving in itself is a sonakaar for the people. Our Shatru pesach donations for charitable causes without expecting any name or fame in return.

A petition has been filed before the Petition Committee of Rajya Sabha, under the Chairmanship of Shri M. Venkaiah Naidu, against the imposition of this tax. The petition was admitted on April 16, 2008. The petition is for considering grant of exemption from payment of income tax to certain categories of charitable organisations. The types of charitable organisations being recommended for Income tax exemption are orphanage, old age home, neat house and cow pen (Panjrapole and Gaushala) institutions which are related to handicapped people, hospitals for birds and cattle, institutions which provide free treatment for deadly diseases, institution which provide free shelter to oppressed people, institution which serve meal free of cost, institution which are related for providing humanitarian assistance in case of natural calamity and disaster and institution which are related to widow and boycotted women. The petitioner has prayed that since the aforesaid categories of charitable organisations take care of the safety, well being and survival of the oppressed and destitute persons, take care of the treatment of terminally ill patients, protect cattle and livestock including infirm animals, especially draught cattle and help translate the ideals of the Constitution, they should be exempted from payment of Income tax.

The categories of charitable institutions mentioned in the petition, working for physically challenged bird and animal hospitals, institutions treating comical disease like cancer free of cost providing free relief to the victims of any calamity providing free meals and the organisations working for widows and destitute should not be saved rather they should be encouraged by the government.

We need to build public opinion in favour of this petition and request the committee to withhold the Government from imposing this tax.