

Tax Hotline

October 03, 2000

INDIAN SOFTWARE PROFESSIONALS TO BE SUBJECT TO THE SAME RATE OF TAX

The chairman of the Central Board of Direct Taxes (**Board**) clarified that there shall not be differential tax rates for Indian Software professionals.

The issue of taxing the software professionals on a differential basis came up from a suggestion which was received by the Board from the Madras Chamber of Commerce (**MCCI**) at an interactive session conducted at Chennai.

MCCI contended that the salary paid to software professionals in India were highly lucrative and had no comparison to that of others working in the same concern as such and this lead to social and economic disparities among employees.

Replying to this suggestion the Board said that everyone was free to grab the opportunities that came across them and the Board had no intention of taxing them at a higher rate. The chairman of the Board is reported to have said *"Everyone is free to make hay when the sun shines. Let them make money when opportunities for them are good, may be for some years. There is no question of the department going after them"*. Another issue that was settled by the Board at this interactive session was the issue of bringing down the corporate tax rate. The Board said that there was no future possibility of bringing down the corporate tax rates as corporates already enjoyed certain exemptions and concessions.

Source: *The Financial Express, October 3, 2000*

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