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Government Waives ₹99,000 Crore in Corporate Tax Revenue in FY24: MoS Finance

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The Government of India has foregone corporate tax revenues amounting to nearly ₹99,000 crore in the financial year 2023–24, according to Minister of State for Finance, Pankaj Chaudhary. The disclosure was made in the Rajya Sabha on Tuesday in response to a query regarding the revenue impact of tax concessions offered to corporates.

Chaudhary stated that the ₹98,999 crore in foregone revenue was the result of various tax incentives and exemptions extended to domestic and foreign companies. These include benefits under the Income Tax Act, such as deductions for capital investment, research and development, and tax holidays.

The minister also provided figures for earlier financial years, showing that the government waived ₹88,109 crore in FY23, ₹96,892 crore in FY22, ₹75,218 crore in FY21, and ₹8,043 crore in FY20. The sharp increase in FY21 onwards follows the government's decision in 2019 to reduce the corporate tax rate significantly, bringing it down to 22% for domestic companies and 15% for new manufacturing firms, provided they did not avail other exemptions.

While these measures were aimed at boosting investment and economic growth, critics argue that the forgone revenue could have been used to bolster public services and infrastructure.

Chaudhary clarified that data for the current fiscal year, FY2024–25, is not yet available.

The figures underscore the scale of the government's corporate tax policy decisions and are likely to fuel ongoing debates over the trade-offs between fiscal incentives and public revenue.