

I-T rebate, a logical extension of steps taken since 2014: Jaitley

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UNION MINISTER Arun Jaitley Friday said deviating from past convention by including direct tax proposal such as the rebate in income tax in an interim Budget was a logical extension of steps taken by the government since 2014, adding that giving a boost to the economy is in the larger interest of the economy.

"Budgets are a political reality in a Parliamentary democracy. So are elections, but this is not a move which anywhere contradicts or deviates from what this government has been doing in the past 5 years... it's actually a logical movement in the direction in which we were moving in last 5 years," he said during an interaction on interim Budget through video conferencing from New York. Jaitley, who missed presenting sixth and the final Budget of Narendra Modi government's current term due to ill health, said he is much better now and expects to be back soon.

While in 2009 and then in 2014, the Congress-led UPA had brought indirect tax proposals in keeping with the needs of the economy, Finance Minister Piyush Goyal an-

nounced an income tax rebate on earnings of up to Rs 5 lakh. Goyal's move was criticised by the Opposition saying with general election months away, the Prime Minister Narendra Modi-led government had mandate only to present a vote on account and a Budget containing direct tax proposals. They felt that was the job for the next government to do when they present a full Budget for 2019-20 in July.

In 2009, then Finance Minister Pranab Mukherjee introduced a stimulus for the economy faced with global meltdown in his reply to the interim Budget debate. His successor P Chidambaram had in 2014 changed duty structures on some commodities.

"I completely reject this artificial distinction between direct and indirect taxes. You can deal with indirect taxes not with direct taxes. Tell me, giving a boost to the economy, is it not required today in the larger interest of the economy? On one hand, the so-called critics 'Nawab of Negativity' are saying that the world's fastest growing economy is growing slowly...if that's the point of criticism, then let us be allowed to give a boost to the economy. And, this higher consumption will certainly give boost to the economy," Jaitley said.