

Government of India
Ministry of Road Transport & Highways
(Road Safety Cell)

Transport Bhawan,
1, Parliament Street
New Delhi – 110001,

No.:RT-25017/16/2012-RS

Dated: 16 January, 2013

To

Pr. Secretary (Transport)/ Secretary (Transport) /DG/IG of Police of all
States/UT's.

Subject: Exemption under the Income Tax Act, 1961, for donations made to
funds/institutions carrying out road safety programmes.

Sir,

A reference had been made to the M/o Finance to grant exemption in income tax for investments made by entities towards carrying out road safety programmes approved by the Government. In this regard, the M/o Finance has approved exemption to donors of funds/institutions carrying out road safety programmes through engineering measures; enforcement, education and emergency case vide their letter no.135/6/2012-SO (TPT) dated 4th May,2012 (copy enclosed). Once a fund or institution for carrying out of road safety programme is set up, it may seek registration under Section 12AA and approval under Section 80G of the Act. After the registration under Section 12AA and approval under Section 80G of the Act, the donor to the fund/institution, shall be claim deduction of 50% of the amount of the sum extended, from the income.

Your faithfully,



(Shivakant Kumar)

Under Secretary to the Government of India
Tel.No.23357125

F. No. 135/6/2012 -SO (TPL)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

Dated 4 May, 2012

Sub.: - Road Safety Strategy in India – A National Concern- Reg.

4/6 Kindly refer to your letter PMO ID No. 430/31/C/104/11 ES I dated 18.4.2012 from Director, Prime Minister's Office enclosing therewith a D.O. letter No. CMO/Confi-2012/39 dated 19-01-2012 from Shri Parkash Singh Badal, Chief Minister, Punjab, on the above cited subject.

2. In this regard, the undersigned is directed to provide following comments in the matter:-

"1. The request made in the enclosed reference of Shri Badal is regarding exemption from income-tax for the investments made by entities towards carrying out the Road Safety programmes approved by the Government. Analogy has been drawn with section 82 of the Direct Taxes Code Bill, 2010 (DTC Bill) and Section 80GGA of the Income-tax Act, 1961 (the Act).

Section 82 of the proposed DTC Bill provides for deduction of the amount received by way of contribution from a recognized stock or commodity exchange or a member of such exchange by a notified Investor Protection Fund from the income of such Fund. Further Section 80GGA of the Act deals with deduction in respect of certain donations for scientific research or rural development and provide for deduction of any sum paid by the assessee towards scientific research or rural development to the specified institution subject to certain conditions.

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From the analogy drawn to the above referred provisions, it appears that the request is to provide deduction of the amount extended towards the road safety programme from the gross total income of the donor.

2. Section 80G of Act provides for deduction in respect of donations made to certain funds, charitable institution etc. Sub-section 5 of section 80G provides that 50% of the amount of donation made towards an institution or fund, established in India for a charitable purpose and is registered under section 12 AA of the Act so that its income is exempt from income-tax, shall be allowed as deduction from the gross total income of the donor under the specified conditions.

3. From the perusal of the reference it appears that the purpose of the referred programme is enhancing Road Safety through Engineering Measures, Enforcement, Education and appropriate Emergency Care. Therefore once such fund or institution is set up; it may seek registration under section 12AA and approval under section 80G of the Act. After the registration under section 12AA and approval under section 80G of the Act, the donor to the fund/institution, shall be able to claim deduction of 50% of the amount of the sum extended, from the income."

This issue with the approval of Finance Secretary.

- Vivek Anand Ojha 4/15/12

(Vivek Anand Ojha)
Under Secretary (TPL-I)

Shri Krishan Kumar
Director
Prime Minister's Office,
South Block, New Delhi.