

KISSAN VIKAS CHAMBER PUNJAB (Regd.)

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Respected Shri Arun Jaitleyji,
Union Finance Minister,
New Delhi.

I on behalf of the Kissan Vikas Chamber Punjab and many other farmer's organisations want to bring to your kind notice a big anomaly which has crept into the Income tax act while defining the agriculture in its totality. In our constitution the Agriculture has been included in the state list under article 246 in the seventh schedule at serial no 14 of the state list. But the agriculture has not been defined in it and the income tax department is taking full advantage of it by ignoring the inclusion of livestock in the ambit of agriculture and its scope has been limited to the " Efforts to induce crops to sprout out of the land." All the definitions of the Agriculture in the world whether from literary dictionaries or legal journals or Court decisions profess the raising of livestock as an integral part of agriculture as the growing of crops and raising of the livestock go hand in hand in the farming as has been very explicitly defined in Merriam Webster dictionary " The science, art or practice of cultivating the soil, producing crops, and raising livestock and in varying degrees the preparation and marketing of the resulting products." Even in the legal sphere, the livestock is considered as an integral part of Agriculture as has been very clearly depicted in the following legal definitions.

1)"Agriculture includes farming in all branches and, among other things, includes the cultivation and tillage of soil, dairying, the production, cultivation, growing and harvesting of any agricultural and horticultural commodities, the raising of livestock or poultry, and any practices performed by a farmer on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing or processing of sugar, coconuts, abaca, tobacco, pineapple or other farm products."(Art.97(d), Chapter 1, Labor Code of Philippines)

2)"Farming or Agriculture shall include farming in all of its branches and the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural, aquacultural, floricultural or horticultural commodities, the growing and harvesting of forest products on forest land, the raising of livestock including horses, the keeping of the horses as a commercial enterprise, the keeping and raising of poultry, swine, cattle and other domesticated animals used for food purposes, bees, fur-bearing animals, and any forestry or lumbering operations, performed by a farmer, who is hereby defined, as one engaged in agriculture or farming as herein defined, or on a farm as an incident to or in conjunction with such farming operations, including preparations for market, delivery to storage or to market or to carriers for transportation to market."(Sec.1a, Chapter 128, M.G.L. Retrieved September 2, 2010 from <http://www.mass.gov/legis/mgl/128-1a.htm>).

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Based on these legal definitions the Judicial courts pronounce their judgements as has been very aptly explained in the following court decision.

"Agriculture is the science of cultivating the soil, harvesting crops, and raising livestock and also as the science or art of the production of plants and animals useful to man and in varying degrees the preparation of such products for man's use and their disposal."(Miller versus Dixon,176 Neb.N.W.2nd 203,206.Black,HC.1990.Black's Law Dictionary: Definitions of the Terms and Phrases of American and English Jurisprudence, Ancient and Modern.6th ed. St. Paul, Minn. :West Publishing Co.p.68).

Even while describing the fundamentals of the crop science the Agriculture has been described as" Agriculture is the systematic raising of useful plants and livestock under the management of man"(Rimando,T.J.2004,Crop Science 1:Fundamentals of Crop Science. U.P.Los Banos:University Publications Office.p.1).

It becomes crystal clear from all these definitions of agriculture from different spheres that livestock is an integral part of the Agriculture.

It is also pertinent to mention here that practically all the Central acts concerning agriculture except Income Tax act include livestock in their ambit while defining agriculture. In the outgoing Service act of Government of India under its section 65B(3) the agriculture has been termed as the "cultivation of plants and rearing of all forms of animals". It is also worthwhile to mention here that in the proposed Model Act by the centre for state APMC acts, the dairy, poultry and fisheries have been considered as agricultural activities and the same has been done in the new GST act.

It is of utmost importance to bring in your kind notice that Dairy and Poultry Farming were considered as integral parts of the agriculture and were completely exempted from income tax till 1975 under section 80jj of income tax act which grants exemption to this tax and from the financial year 1975-76,the income from both the Poultry and Dairy was fully exempted up to Rs. 10,000/- and 1/3rd amount of the income above Rs. 10,000/- was also exempted. But from the year 1998,this income was made fully taxable.It becomes clear that till 1975, the income tax authorities had been considering livestock as part of agriculture and income from it could not be taxed. It is also pertinent to mention here that under article 246 of the constitution in the seventh schedule in the state list at serial no.46,only states are authorized to tax the agriculture income.

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As all of us are aware that Agriculture in India is passing through very hard and difficult times and farmers in most of the states are facing heavy indebtedness on their heads and their clamour for complete loan waiver is increasing day by day. This is the high time rather the dire need of the hour that every possible effort should be made to restore the economic viability of Agriculture and to achieve this we must promote the raising of livestock such as Dairy, Poultry, Piggery, Fisheries, Goatry, Sericulture and Apiculture etc. This will go a long way for providing a big economic benefit to the farmers.

Taking all the facts as described above, it can be very safely concluded that livestock is an integral part of agriculture and income from it cannot be taxed under any act of the central Government and it is very much needed and essential to revive the economic viability of the agriculture. We very humbly request you to look in to the matter and take appropriate step to remove any such provision to tax it in the Income tax act.

Thanking you,

Yours Sincerely

Kulwant Singh
(KULWANT SINGH)

(President Kissan Vikas Chamber Punjab)

Dated:-24-10-2017