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3-YEAR TAX HOLIDAY FOR ASSAM TEA SECTOR 1

3-Year Tax Holiday For Assam Tea Sector

GUWAHATI: Taking into consideration the crisis period of the tea sector in Assam, the State government on Thursday granted a big relief to all the tea growers here by waiving off levy for three years. This relaxation in taxes on green leaf from January 1, 2019 to December 31, 2021 came into effect with the Assembly passing 'The Assam Taxation (on specified lands) (Amendment) Bill, 2019'.

As per the existing rules, the tea growers had to pay 40 paisa for each kilogram of green tea leaf in the Brahmaputra Valley; and 35 paisa in the Barak Valley. It was applicable to tea gardens having land areas of 40 hectares or more.

Taking part in the discussion on the Bill, Finance Minister Himanta Biswa Sarma said, "The relief in tax will give the much-required relief to the tea sector in the State. This is despite the fact that the move would entail a loss of Rs 100 crore in revenue for the State exchequer. The small tea growers were exempted from the levy earlier. "

A land/location value tax (LVT), also called a site valuation tax, split rate tax, or site-value rating, is an ad valorem levy on the unimproved value of land. Unlike property taxes, it disregards the value of buildings, personal property and other improvements to real estate. A land value tax is generally favored by economists as (unlike other taxes) it does not cause economic inefficiency, and it tends to reduce inequality.

Land value tax has been referred to as "the perfect tax" and the economic efficiency of a land value tax has been known since the eighteenth century. Many economists since Adam Smith and David Ricardo have advocated this tax, but it is most famously associated with Henry George, who argued that because the supply of land is fixed and its location value is created by communities and public works, the economic rent of land is the most logical source of public revenue.