

**CALCUTTA CHAMBER OF  
COMMERCE**

**PRE-BUDGET MEMORANDUM**

**ON**  
**STATE BUDGET**  
**2020 - 21**

## **MEMORANDUM ON STATE BUDGET: 2020-2021**

The **Calcutta Chamber of Commerce** is pleased to submit a Memorandum on State Budget 2020-21 highlighting the points and suggestions for your kind consideration.

### **INTRODUCTION**

#### **EASE OF DOING BUSINESS IN WEST BENGAL**

The Government of West Bengal last came up with a Investment & Industrial Policy 2013 which is not operational at present. To provide fillip to the industrial investments in the State, Many significant measures have been taken to improve the 'Ease of Doing Business' in West Bengal by introducing time bound, process driven and ICT enabled systems to bring more transparency and reduce red tape.

**Ease of 'starting a business' portrays the ease/difficulty with which an entrepreneur is able to establish a new business. A less cumbersome and less expensive process could result in prompt responses to starting a business and a larger tax base. However, it is known that starting a business involves getting a host of clearances and permits.**

Approvals related to environment clearances, land procurement, construction permits, industrial safety permits and power connection are the obstacles in starting a business. Obtaining approvals and clearances is a time-consuming process involving multiple procedures; costs incurred in the whole process are significantly high.

**The Government of West Bengal organising Bengal Global Business Summit/Conclave every year for last couple of years and getting encouraging response from the local industrialist and entrepreneurs and also foreign delegates participating in the in such events.**

**However, in absence of specific business policy it would be difficult to encourage industrial growth specially MSME Sector and encouraging the investment in State, hence a specific policy along with incentives and subsidies is required for the purpose.**

The taxation and financial policies need to be streamlined with greater transparency.

#### **1. INDUSTRIAL PROMOTION SCHEME**

For industrial development in the state of West Bengal there is a need of re-introduction of 3 years Tax Remissions Scheme or deferment of tax scheme. This proposal will boost setting up of new industries and expansion of existing industries. Alternatively new Industrial Promotion Scheme should be implemented immediately.

## **2. GRIEVANCES**

It is suggested that a Grievance Cell should operate Single Window Grievance in West Bengal to be headed by a separate officer for redressal of any grievance relating to all law of state related to industry, trade & commerce including MSME or exclusively for MSME like Grievance Cell operating at Income Tax Department, like Ombudsman.

The Ombudsman Officer should have adequate power and his order should be made mandatory on departmental officers for compliance and removal of grievances. Otherwise this scheme would be just ornamental one.

## **3. PROFESSION TAX**

It is suggested that Profession Tax since not adding any measure collection to the government kitty but creating a burdensome problem of compliance specifically to the entire industry. Hence, the said tax be done away with. If it continues, our suggestions are as under:

- (i) Deemed Provision for Assessment for Profession under Profession Tax Law:

At present the deemed assessment provision is applicable for the period up to 31<sup>st</sup> March 2012 u/s 7(6) of the Act.

**It is suggested such provision should be continued for future years as well.**

- (ii) A provision was introduced for branch-wise registration and enrolment for one entity under the profession tax law. **It is suggested to allow one taxable entity to have only one registration certificate or enrolment certificate as per the old law and the dealers should not be forced to obtain separate enrolment and registration for each and every branches.**

## **4. ELECTRICITY DUTY**

At present concessional rate of electricity duty are applied to farmers and agriculturists. It is suggested that such concessional rate should be extended to provisions of commercial crops i.e. tea, jute etc. Such concessions will boost up traditional crops like Tea, Jute etc. which are passing through difficult phase.

## **5. STAMP DUTY**

Rate of valuation adopted for the purpose of payment of stamp duty for immovable property by the Registration Offices are highly irrational and

sometimes much higher even more than double than the present market value. It requires thorough revision for the sake of trade and industry.

The high market value assesses by the registration office also creates problem for the members and real estate industry at large in terms of section 43CA, 50C and section 56(2)(vii) of the Income Tax Act.

Should you require elaborations or clarifications, our senior office bearers shall be giving an audience as and when called.

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