



Ministry of Finance

Tax exemption to ameliorate stress due to COVID-19



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The Government has decided to provide income tax exemption to the amount received by a taxpayer for medical treatment from an employer or from any person for treatment of COVID-19 during the financial year 2019-20 and subsequent years. This was stated by Minister of State for Finance Shri Pankaj Chaudhary in a written reply to a question in the Lok Sabha today.

The Minister stated that Income-tax exemption shall be provided to the amount received by a taxpayer for medical treatment from an employer or from any person for treatment of COVID-19 during financial year 2019-20 and subsequent years.

The Minister further stated that the aim of this exemption is to provide relief to taxpayers who suffered on account of COVID-19 and had to incur sum for medical treatment of COVID-19 after taking help from employer or any person. It is the stated policy of the Government to discourage cash transactions and move towards less cash economy. Hence, there is no proposal to increase the limit of cash transactions permissible under various provisions of the Income-tax Act, 1961, the Minister stated.

Giving more details, the Minister said that in order to provide relief to the family members of taxpayers who have lost their lives due to COVID-19, the Government has decided that income-tax exemption shall be provided to ex-gratia payment received by family members of a person from the employer of such person or from other person on the death of the person on account of COVID-19 during FY 2019-20 and subsequent years.

The exemption shall be allowed without any limit for the amount received from the employer and the exemption shall be limited to Rs. 10 lakh in aggregate for the amount received from any other persons, the Minister stated.

The Minister further said that the Government has extended various key tax compliance deadlines due to impact of COVID-19 pandemic. The detail of these extended timelines is provided in the [Annexure](#).

RM/MV/KMN

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