

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**INCOME-TAX ACT 1961 AMENDED THROUGH FINANCE ACT 2015 TO
PROVIDE CERTAIN TAX BENEFITS TO NOTIFIED BACKWARD AREAS IN
SPECIFIED STATES INCLUDING STATE OF BIHAR TO GIVE THESE AREAS AN
OPPORTUNITY TO GROW FASTER; 21 DISTRICTS OF BIHAR NOTIFIED AS
BACKWARD AREAS; ANY MANUFACTURING UNDERTAKING OR
ENTERPRISE SET-UP DURING THE PERIOD FROM 01.04.2015 TO 31.03.2020 IN
THE AFORESAID BACKWARD AREAS OF BIHAR WILL BE ELIGIBLE FOR
15% ADDITIONAL DEPRECIATION AND 15% INVESTMENT ALLOWANCE
UNDER THE INCOME-TAX ACT, ON THE COST OF PLANT AND MACHINERY
ACQUIRED AND INSTALLED BY IT DURING THE SAID PERIOD**

New Delhi, August 19, 2015
Shravana 28, 1937

The provisions of the Income-tax Act 1961 have been amended through Finance Act 2015 to provide certain tax benefits to notified backward areas in specified States including State of Bihar to give these areas an opportunity to grow faster. To give effect to the amendment, the following 21 districts of Bihar have been notified as Backward Areas vide Notification No. S.O. 2241(E) dated 17.08.2015:

1. Patna
2. Nalanda
3. Bhojpur
4. Rohtas
5. Kaimur
6. Gaya
7. Jehanabad
8. Aurangabad
9. Nawada
10. Vaishali
11. Sheohar
12. Samastipur
13. Darbhanga
14. Madhubani
15. Purnea
16. Katihar
17. Araria
18. Jamui
19. Lakhisarai
20. Supaul
21. Muzaffarpur

Any manufacturing undertaking or enterprise set-up during the period from 01.04.2015 to 31.03.2020 in the aforesaid backward areas of Bihar will be eligible for 15% additional depreciation under Section 32(1)(ia) and 15% investment allowance under Section 32AD of the Income-tax Act, on the cost of plant and machinery acquired and installed by it during the said period. The aforesaid incentives are in addition to other tax benefits available under the Income-tax Act. Thus a manufacturing undertaking/enterprise set up in any of these areas during the aforesaid period will be eligible for 35% (instead of 20%) of additional depreciation. This would be over and above the normal depreciation of 15%. Besides, a company engaged in manufacturing will also be eligible for 30% (instead of 15%) of investment allowance if its investment in new plant and machinery during the period 1.4.2015 to 31.3.2017 exceeds Rs.25 crore.

Notification No. S.O. 2241(E) dated 17.08.2015 to this effect is available on the website www.incometaxindia.gov.in.
