THE ECONOMIC TIMES | News
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Why should the salaried pay all the tax? A case for taxing India's richest 'anna daatas'

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Synopsis
Wealthy farmers in India, earning over Rs 15 lakh annually, represent 2.8
households but are not taxed, unlike salaried professionals. Despite sign
and assets, they remain outside the tax net. Approximately 45% benefit
government schemes, raising questions about the fairness of the curren
system for agriculture.

Prime Minister Narendra Modi interacts with farmers during the release of 109 High-Yielding, Climate Resilient and Bio-Fortified varieties of crops at India Agricultural Research Institute, in New Delhi.

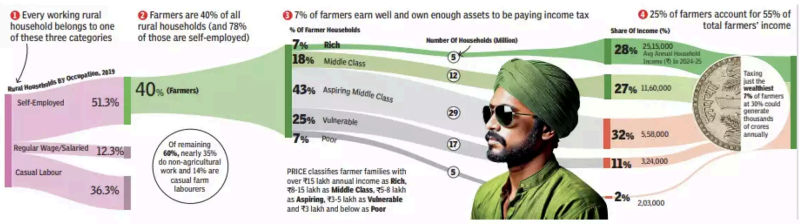
India's agricultural sect
a focal point of policy de
subsidies and financial
uplifting struggling farmers. Yesterday, too, farmers, the 'anna daata', as Sitharaman called them, were central to her eighth budget.

However, new data, as reported by TOI, highlights a stark economic divide within the farming community, raising questions about whether the wealthiest farmers should contribute to income tax.

According to Rajesh Shukla, founder of People Research on India's Consumer Economy (PRICE), wealthy farmers, those earning over Rs 15 lakh annually, constitute only 2.8% of total rural households. Despite their high earnings and significant landholdings, they remain outside the tax net, unlike salaried professionals who are taxed at various income levels.

Despite their wealth, they contribute little to direct taxation. PRICE's research classifies farmer families as follows:

- 7% are considered “rich” (earning over Rs 15 lakh annually)- 5 million households
- 18% belong to the middle class (earning Rs 8-15 lakh per year)- 12 million households
- 43% are aspiring middle class (earning Rs 5-8 lakh)- 29 million households
- 25% are vulnerable (earning Rs 3-5 lakh)- 17 million households
- 7% of farmers remain poor (earning less than Rs 3 lakh per year)- 5 million households



the case for taxing rich farmers

Source: TOI

Income and assets of wealthy farmers

45% of wealthy farmers benefit from government schemes such as the [PM-Kisan Nidhi Yojana](), which is designed to provide financial support to small and marginal farmers.

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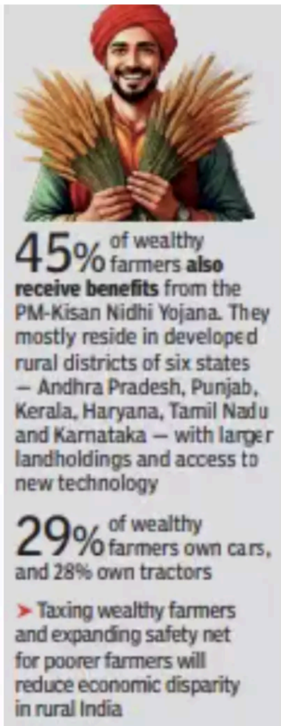
These affluent farmers reside in well-developed rural districts across Andhra Pradesh, Punjab, Kerala, Haryana, Tamil Nadu, and Karnataka, enjoying access to modern technology and infrastructure.

29% own cars, and 28% own tractors, further indicating their financial stability.



Source: TOI

Why taxing wealthy farmers makes sense

The wealthiest 7% of farmers own enough assets and generate substantial income that would typically be taxable in any other profession. A significant 25% of all farmers account for 55% of total farm income, meaning a small percentage of elite farmers dominate agricultural wealth.

(With TOI inputs)

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