

"No tax burden on middle class under NYAY"



Senior economics guru, former finance minister and Congress leader P Chidambaram took it to Twitter on Thursday to clarify that the party's manifesto scheme Nyuntam Aay Yojana aka NYAY will not create any tax burden on middle class of the country.

The audacious Opposition manifesto of a promise to eradicate poverty with a slew of promises, including the announcement to give Rs 72,000 annually to each of the poorest families in India, covering around 20% of the country's population under NYAY scheme has caught the attention of India, and with that comes many speculations. The biggest concern for the majoritarian middle-class section of India regarding NYAY is that the cash transfer promise to poor families will translate into tax burden on them.

Elucidating the concern, the head of the manifesto - P Chidambaram tweeted on Thursday saying, "I have already said in press conference and various interviews: there will be no increase in the tax burden of the middle class. This is our promise". The party has previously expressed that the NYAY scheme was not vaguely thought, nor will it be "rashly" implemented, unlike the existing economic schemes. The scheme would be pegged at 1.3 to 1.4 percent GDP initially for the poorest 10 percent, and upon the full rollout, it would have increased to 1.5 percent GDP share.

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? P. Chidambaram (@PChidambaram_IN) [April 4, 2019](#)

Although Congress' NYAY scheme attracts many legitimate questions, but the fundamental soundness of the scheme cannot be swiped under the carpet. The core of scheme is diverting ?3.5 lakh crore of the ?200 lakh crore economy towards the poorest of the country, and boost demands - hence create new jobs, increase tax revenues and hence bring overall economic growth. The plan is to provide direct deposits of ?6,000 every month to each of the 20 percent poorest families and "assault poverty". To make NYAY a reality, a massive fiscal space needs to be created, and it is nothing less of an extremely audacious goal - but like they say "it is but the time we get audacious and ambitious".