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Delhi High Court rejects plea against tax exemption for agricultural income in Capital



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DELHI HIGH COURT REJECTS PLEA AGAINST TAX EXEMPTION FOR AGRICULTURAL INCOME IN CAPITAL

The Bench stated that the issue fell outside the court's domain and it cannot direct the Delhi Government to legislate a law to introduce a new taxation framework

The Delhi High Court on Wednesday (May 13, 2026) rejected a petition against the blanket exemption from tax liability given to agricultural income in the capital.

A Bench of Chief Justice D.K. Upadhyaya and Justice Tejas Karia stated that the issue fell outside the court's domain and it cannot direct the Delhi Government to legislate a law to introduce a new taxation framework.

“From the perusal of the prayer clause of the writ petition, it is apparent that the petitioner is asking us to issue a mandamus to the legislature to enact a particular law. Such a mandamus, in our opinion, is impermissible to be issued. The writ is highly misconceived and thereby dismissed,” the Court said.

Petitioner Aakash Goel, in his plea, said the “continued blanket exemption” of agricultural income from taxation for Delhi residents resulted in fiscal inequality and amounted to an arbitrary classification among taxpayers. The plea said the petitioner was not seeking a “blanket imposition of tax on agricultural income”, as there was a distinction between economically vulnerable farmers and affluent individuals deriving agricultural income, and exempting high-net-worth individuals with agricultural income lacked the rational nexus with the object of protecting small farmers.

“In practice, only the states of Assam and West Bengal continue to levy agricultural income tax in an effective manner, primarily in relation to plantation crops, especially tea. The Assam Agricultural Income-tax Act, 1939, and the West Bengal Agricultural Income-tax Act, 1944, remain in force and are operational, whereas most other states have either repealed their agricultural income-tax laws or reduced enforcement to a merely nominal level. In the National Capital Territory of Delhi, no such legislation exists at all, and agricultural income continues to remain fully exempt from taxation,” the plea said.