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With this thought, we hereby present to you

# **CHECKMATE ON TAXES: TAX RELIEF AS A REWARD TO INDIAN CHESS PRODIGY**

AUTHORED BY - RAJARAJESHWARI G, BHARATH K & KARAN K

## **ABSTRACT:**

*This paper explores the possibility of tax exemption for Indian chess players, specifically Gukesh, by applying legal precedents set in the Sachin R. Tendulkar v. Assistant Commissioner of Income Tax case and the Indian cricket team's tax exemption in 2003. It argues that the prize money won by athletes, including chess players like Gukesh, should be viewed not as personal income but as a reflection of national achievement and pride. By extending similar tax exemptions to chess players, the government can promote the growth of intellectual sports, support national pride, and create a favorable environment for future generations of athletes. This paper advocates for a consistent legal approach to reward excellence in all sports, ensuring that intellectual sports like chess receive equal recognition and support.*

**Key words:** Tax Exemption, Gukesh Prize Money, Income Tax Act, Section 80RR, National Achievement, Sports Tax Relief, Intellectual Sports

## **I. INTRODUCTION:**

The tax exemption granted to the Indian cricket team in 2003 for their prize money from the ICC Cricket World Cup serves as a pivotal legal precedent for future cases involving athletes across all sports, including chess. In the context of Indian chess players, particularly Gukesh, there is a compelling argument for granting similar tax relief based on the principles established in landmark cases such as \*Sachin R. Tendulkar v. Assistant Commissioner of Income Tax\* and the tax exemption claimed by the Indian cricket team. These precedents demonstrate that the prize money won by athletes in international tournaments can be viewed not just as personal income, but as a reflection of national achievement and pride.

Gukesh's victory in the Singapore Chess Championship, which brought him a substantial sum of prize money, can be viewed in the same light as cricket's contribution to India's national identity. Chess, while different from physical sports like cricket, is no less significant in

fostering national pride through intellectual achievement. The case for applying tax exemptions to Gukesh's winnings is strengthened by Section 80RR of the Income Tax Act, which allows exemptions for professionals earning income from foreign sources, a provision that was successfully invoked in the cricket team's case.

By extending the same treatment to chess players, the government can not only honor their contributions to national pride but also encourage the growth of chess in India. This would ensure that players like Gukesh, who represent the country on the global stage, are given the financial support necessary to continue excelling. Such tax exemptions would not only benefit the athletes but also create opportunities for future generations, helping to nurture India's sporting talent in all disciplines.

In my research, I researched about what is income tax and its necessary purpose, and the benefits arising out from income tax, the earning from foreign nationals, and my research is to support the youngest chess champion Gukesh regarding his prize tax waiver possibilities or I'm suggesting the deduction possibilities according to the Income Tax Act, 1961. To make it legally possible, I took the former tax deduction cases and incidents in India.

## **II. TAXATION OF THE PRIZE MONEY EARNED BY GUKESH:**

The taxation of Gukesh's cash prize of approximately ₹11.45 crore (earned through the World Chess Championship in Singapore) under the Income Tax Act, 1961 will depend on the nature of the income and relevant provisions of the law.

### **1. Nature of the Income**

#### **- Prize Money:**

- The ₹11.45 crore cash prize earned by Gukesh is categorized as income from winnings in international sports events.

- Under Indian tax laws, such prize money is taxable as "Income from Other Sources" under Section 56 of the Income Tax Act.

### **2. Taxability of Prize Money**

Section 56 - Income from Other Sources

- All forms of income not falling under "Salary," "House Property," "Business or Profession,"

or "Capital Gains" are taxed under this head.

- Prize money from competitions, including sports, falls here unless exempted.

#### **Tax Rate:**

- Prize money is taxed at the individual's applicable slab rate. For Gukesh, the income will fall under the highest tax slab (above ₹10 lakh), attracting a tax rate of 30% (excluding surcharge and cess).

#### **Surcharge and Cess:**

- Surcharge: Applicable as income exceeds ₹2 crore:
- ₹2-5 crore: 25% surcharge on the tax.
- Above ₹5 crore: 37% surcharge on the tax.
- Health and Education Cess: An additional 4% on the total tax liability (including surcharge).

#### **Effective Tax Rate:**

- For incomes above ₹5 crore, the effective tax rate can go up to 42.744% (including surcharge and cess).

### **3. Illustration of Tax Calculation**

Let's calculate the approximate tax liability assuming no exemptions and that Singapore deducted no tax:

- Prize Money: ₹11.45 crore
- Taxable Income: ₹11.45 crore (no deductions apply as this is prize money)
- Basic Tax @ 30%: ₹3.435 crore
- Surcharge @ 37%: ₹1.271 crore
- Health and Education Cess @ 4%: ₹0.187 crore
- Total Tax Liability: ₹4.893 crore (approx.)

### **III. POSSIBILITIES FOR THE DEDUCTIONS AND EXEMPTIONS FOR GUKESH'S PRIZE MONEY UNDER THE INCOME TAX ACT, 1961:**

As a professional chess player, Gukesh likely earns substantial prize money from his victories in global tournaments, such as the 2024 championship in Singapore. According to the Income Tax Act, 1961, such prize money is generally classified as Income from Other Sources and is

taxable. However, depending on his specific situation and eligibility, there are provisions within the Act that may offer exemptions, deductions, or reliefs.

### **1. Taxability of Prize Money:**

Under Section 56(2) of the Income Tax Act, any prize money, including earnings from competitions like chess tournaments, is classified as Income from Other Sources. This means that:

- Prize money is fully taxable under the Income from Other Sources category.
- The prize amount is added to the taxpayer's gross total income and will be taxed according to the applicable income tax slabs.

### **2. Potential Exemptions:**

Although prize money is taxable under Section 56(2), there are some exemptions and provisions in the Income Tax Act that could offer partial or full relief, depending on the specific nature of the prize. However, exemptions are generally limited in this case, as prize money is explicitly subject to tax under the Act.

#### **a. Exemption Under Section 10(17A) - Awards Given by the Government:**

Section 10(17A) offers an exemption for awards or rewards granted by the Indian Government. If Gukesh were to receive a prize or award from the government in recognition of his achievements in chess, he could potentially benefit from this exemption. However, it is important to note that this provision does not apply to prizes won in foreign tournaments or competitions, where the prize money is earned outside the country.

#### **b. Exemption on Certain Foreign Income - Section 10(50):**

Section 10(50) provides an exemption from tax on certain foreign income, but only if it is specifically exempted under International Taxation Treaties (also known as Double Taxation Avoidance Agreements or DTAA). If Gukesh's prize money was earned in a country that has a tax treaty with India to avoid double taxation, he could potentially claim an exemption or relief under this provision. However, since the prize money he earned is unlikely to come from a government award, this exemption may not be applicable in his case. It would be crucial to verify if the Singapore-India DTAA offers any exemptions or tax relief for prize money earned in Singapore.

### **3. Deductions Applicable to Gukesh:**

While prize money itself is not eligible for direct exemptions, Gukesh may still benefit from deductions under various provisions of the Income Tax Act to reduce his overall tax liability. These deductions are generally not applied directly to the prize money itself but to his overall taxable income.

#### **a. Deduction Under Section 80C - Investments:**

- Gukesh can claim deductions under Section 80C for investments in various instruments, such as:

- Public Provident Fund (PPF),
  - National Savings Certificates (NSC),
  - Tax-saving Fixed Deposits,
  - Life Insurance Premiums,
  - Employee Provident Fund (EPF).
- The maximum limit for deductions under Section 80C is ₹1.5 lakh. Though this does not apply directly to the prize money, it can help reduce his overall taxable income.

#### **b. Deduction Under Section 80D - Health Insurance:**

- If Gukesh pays for health insurance premiums for himself, his family, or parents, he can claim a deduction under Section 80D.

- For self and family: Deduction up to ₹25,000 (₹50,000 for senior citizens).
- For parents: Deduction up to ₹25,000 (₹50,000 for senior citizens).

#### **c. Deduction Under Section 80E - Education Loan Interest:**

- If Gukesh is repaying a loan for education (such as his chess training or related studies), he may claim a deduction for the interest paid on such loans under Section 80E.

- This deduction is available for a maximum of 8 years from the year of repayment of the loan.

#### **d. Deduction Under Section 80G - Donations to Charities:**

- If Gukesh makes donations to charitable organizations, he can claim deductions under Section 80G.

- The amount deductible depends on the type of organization and the type of donation (either in cash or in kind).

**e. Deduction Under Section 24(b) - Home Loan Interest:**

- If Gukesh has a home loan, he can claim a deduction for interest paid on the home loan under Section 24(b).
- The maximum deduction available for interest on a self-occupied property is ₹2 lakh per annum.

**f. Deduction Under Section 80TTA/80TTB - Savings Account Interest:**

- Under Section 80TTA, Gukesh can claim a deduction of up to ₹10,000 on the interest earned from savings accounts.
- If Gukesh is a senior citizen, under Section 80TTB, the limit increases to ₹50,000 for interest earned on deposits.

**4. Tax Deducted at Source (TDS) on Foreign Prize Money:**

In some countries, taxes may be deducted at source on prize money or income earned through endorsements. For instance, if Gukesh earns prize money in Singapore, the tax authorities there might impose TDS on the winnings. In such cases, Gukesh would be eligible to claim a Foreign Tax Credit under Section 90 of the Income Tax Act. This provision allows him to offset the taxes paid in a foreign country against his tax liability in India, thus minimizing the chances of double taxation.

**b. Foreign Tax Credit (Section 90/91):**

- Under Section 90, Gukesh can avail relief or claim credit for taxes paid in Singapore on his prize winnings.
- This benefit is applicable when a Double Taxation Avoidance Agreement (DTAA) exists between India and the country where the income was earned, in this case, Singapore.
- To claim this credit, Gukesh will need to file Form 67, as mandated by the tax rules.

**5. Taxation at Special Rates (Section 115BB):**

Prize money is often taxed at a flat rate of 30% under Section 115BB of the Income Tax Act, especially when the prize is won from a competition or lottery. This section applies to income from winning lotteries, games, and competitions. No deductions are allowed under this section, and the prize money is taxed directly at the flat rate. Therefore, For Gukesh, the prize money he earned from the Singapore Chess Championship in 2024 is taxable as Income from Other Sources under Section 56(2) of the Income Tax Act. While direct exemptions on prize money

are limited. he may be eligible for deductions under various sections like 80C, 80D, 80E. and 80G. which can reduce his overall taxable income. Additionally, if tax has been paid in Singapore, he may claim a Foreign Tax Credit to avoid double taxation. Finally, the prize money would likely be taxed at the special rate of 30% under Section 115BB for competition winnings.

#### **IV. THE PRECEDENT EXAMPLES:**

**A.**The case of **Sachin R. Tendulkar v. Assistant Commissioner of Income Tax** centers on Sachin Tendulkar's claim for tax deductions under Section 80RR of the Income Tax Act, 1961. This section allows resident individuals to deduct a portion of their income earned in foreign exchange from professional services rendered outside India.

##### **Background:**

- **Income Earned:** During the assessment years 2001-02 to 2004-05, Tendulkar received approximately ₹5.92 crore in foreign exchange from endorsements and sponsorships with companies like ESPN, Pepsico, and VISA.
- **Deduction Claimed:** He claimed a deduction of 75% of this income under Section 80RR, asserting that his participation in advertisements and endorsements qualified him as an "artist" or "actor."

##### **Legal Provisions:**

- **Section 80RR:** This section permits resident individuals who are authors, playwrights, artists, musicians, actors, or sportsmen to deduct 75% of their income earned in foreign exchange from professional services rendered outside India, provided the income is brought into India within six months.

##### **Dispute:**

- **Tax Authorities' Position:** The Assessing Officer (AO) and Commissioner of Income Tax (CIT) contended that Tendulkar's primary profession was cricket, not acting. They argued that the income from endorsements was due to his fame as a cricketer, and thus, he did not qualify as an "artist" or "actor" under Section 80RR.
- **Tendulkar's Argument:** Tendulkar maintained that his roles in advertisements involved acting and creative expression, aligning with the definition of an "artist" or "actor." He emphasized

that these activities required skills beyond his cricketing profession.

### **Tribunal's Analysis:**

- Definition of "Artist": The Income Tax Appellate Tribunal (ITAT) referred to dictionary definitions and prior case law to interpret "artist" broadly, encompassing individuals engaged in creative or performing arts, including acting in commercials.
- Nature of Activities: The ITAT acknowledged that Tendulkar's participation in advertisements involved acting, requiring artistic skills. They noted that similar deductions had been allowed in cases like that of Amitabh Bachchan, where income from hosting a TV show was considered as derived from artistic activities.

### **Ruling:**

- In Favor of Tendulkar: The ITAT ruled that Tendulkar's income from foreign endorsements qualified for the deduction under Section 80RR. They concluded that his involvement in advertisements constituted artistic activity, making him eligible for the deduction.

## **Tax Exemption for Indian Chess Players Under Section 80RR: Insights from the Sachin R. Tendulkar Case**

In India, prize money earned from foreign tournaments is subject to taxation under the provisions of the Income Tax Act, 1961. However, professional athletes, including chess players, may qualify for certain tax exemptions. One such provision is Section 80RR of the Income Tax Act, which allows for deductions on income earned from foreign sources. This exemption was prominently addressed in the case of Sachin R. Tendulkar v. Assistant Commissioner of Income Tax. The case serves as a key precedent in understanding how professional athletes can seek relief on foreign income, including winnings from international competitions such as those secured by chess players in tournaments like the one held in Singapore.

### **Introduction to Section 80RR of the Income Tax Act:**

#### **Details of Section 80RR,**

The provisions of Section 80RR are as follows:

- Section 80RR(1) permits individuals to claim a deduction equivalent to 100% of the income earned from professional services performed abroad. This includes earnings from activities like writing, singing, or participating in sports.

- However, the benefits under this section are restricted to specific categories of professionals, namely sportspeople, artists, and writers. It is therefore essential to determine if chess players qualify as professionals eligible for deductions under this section.

### **Relevance of Section 80RR to Chess Players**

Chess, as a strategic and intellectual sport, is often grouped with traditional sports under various legal and regulatory frameworks. Although it does not receive the same level of recognition as sports like cricket, tennis, or football, chess has gained significant international acclaim. For Indian chess players, such as Gukesh, victories in global tournaments like the Singapore Chess Championship could potentially fall within the scope of Section 80RR. Since the prize money earned in such events qualifies as income from foreign sources, it might be eligible for deductions or exemptions under this section, provided it meets the required conditions.

### **Precedent Judgment:**

In this case, the Income Tax Appellate Tribunal (ITAT) delivered a verdict in Tendulkar's favor. The tribunal made the following observations:

1. Section 80RR is applicable to sports professionals who generate income from their professional activities outside India.
2. Tendulkar, being an Indian cricketer, qualified for the benefits under Section 80RR since cricket was recognized as a professional occupation under Indian tax laws.
3. The exemption provided by Section 80RR extended to foreign income earned by the cricketer, including prize money received from participating in international matches held abroad.

Consequently, Tendulkar was granted a complete exemption on the foreign prize money earned during international cricket tournaments. This ruling has since become a landmark reference for other Indian athletes seeking similar tax exemptions on income earned from foreign sources, including prize money.

### **Application of Section 80RR to Gukesh's Prize Money**

Considering the precedent set by the Sachin Tendulkar case, Indian chess players like Gukesh could potentially seek a similar tax exemption under Section 80RR. If Gukesh earns prize money in international chess tournaments, such as the Singapore Chess Championship, and qualifies as a professional chess player, he may be eligible to claim an exemption on the prize

money earned abroad.

The applicability of Section 80RR in Gukesh's case would depend on the following conditions:

1. **Professional Status:** Gukesh is recognized as a professional chess player, and the prize money from the Singapore tournament is classified as foreign income.
2. **Professional Services:** The prize money is directly linked to Gukesh's professional activity as a chess player. Since Section 80RR covers professionals, including sportsmen, his earnings from the tournament could be considered as income from professional services.
3. **Foreign Earnings:** The income is generated outside India. as the Singapore Chess Championship is an international event. This satisfies the requirement for claiming an exemption under Section 80RR.

Based on these factors, Gukesh might qualify for a 100% deduction on the prize money earned abroad under Section 80RR, provided he adheres to all the eligibility criteria outlined in the section.

### **Conditions for Availing Exemption Under Section 80RR**

To qualify for the tax exemption provided under Section 80RR, specific criteria must be satisfied. These conditions are as follows:

1. **Services Rendered Abroad:** The professional must perform their services outside India. In Gukesh's case, the prize money earned from the Singapore tournament would be considered income derived from services rendered overseas.
2. **Income from Professional Activities:** The earnings must result directly from professional activities. For Gukesh, this includes his participation and achievements in the chess tournament.
3. **Resident Status:** The individual must be an Indian resident. Since Gukesh is an Indian citizen, he is likely to fulfill this criterion.
4. **Applicability to Individuals:** Section 80RR applies exclusively to individuals. Therefore, Gukesh, as a person, would be eligible to claim this exemption, but it would not extend to companies or organizations.
5. **Professional Capacity:** The services rendered should fall under the category of a sportsman or artist. This provision is relevant to chess players like Gukesh, as chess is recognized as a sport.

By meeting these conditions, Gukesh could potentially avail of the exemption under Section 80RR for his prize money earned in international tournaments.

## V. CHALLENGES AND LEGAL PRECEDENTS

The Sachin Tendulkar case set an important precedent for claiming tax exemptions under Section 80RR for foreign income earned by sports professionals. However, Gukesh may encounter certain challenges when making a similar argument. These challenges include:

1. **Recognition of Chess as a Profession:** While cricket is universally accepted as a professional sport, making Tendulkar's case relatively straightforward, chess might face more scrutiny. Although considered a sport, chess is often viewed as an intellectual pursuit rather than a traditional athletic sport, which could complicate its classification.
2. **Classification of Income:** The Income Tax Department might challenge whether prize money from chess tournaments qualifies for the same exemption as earnings from athletic sports.

Despite these potential hurdles, the case of Sachin R. Tendulkar v. Assistant Commissioner of Income Tax serves as a solid precedent for professional athletes, including chess players, seeking exemptions for foreign prize money under Section 80RR of the Income Tax Act. Indian chess players like Gukesh could rely on the principles established in this case to argue for similar treatment. Gukesh's earnings from the Singapore Chess Championship, as foreign income derived from professional services performed abroad, theoretically qualify for a full exemption under Section 80RR. However, tax authorities may still challenge the eligibility of chess players based on the profession's classification. Nevertheless, the Sachin Tendulkar case provides a compelling foundation to advocate for tax exemptions for Indian chess players. Ensuring that their accomplishments are recognized and supported within the legal framework would further validate their contributions to sports and the nation's prestige.

### **B. EXEMPTION CLAIMED BY THE INDIAN CRICKET TEAM IN 2003:**

#### **2003 Cricket World Cup: A Turning Point in Sports Taxation Policy**

Following their impressive performance as runners-up in the 2003 ICC Cricket World Cup, the Indian cricket team received prize money amounting to approximately ₹12 crore. While such earnings are generally considered taxable under **Section 56 of the Income Tax Act** (as "Income from Other Sources"), the government made a rare and significant decision to exempt this amount from taxation.

This decision stirred discussion within legal and tax circles, as it challenged the rigid boundaries of tax law in favor of recognizing sporting excellence. The exemption was not just a financial relief—it was a statement. It acknowledged the team’s role in elevating India’s image on the world stage and highlighted the government’s commitment to **promoting national pride through sports**.

Ultimately, this case became a benchmark for how tax policy can be used not just to regulate income but to **encourage and reward national achievement**, especially in the realm of international sports.

### **Grounds for Exemption in the 2003 Indian Cricket Team Case;**

1. Prize Money as a National Award

The 2003 World Cup performance was seen as a national victory, not just a personal one. The government viewed the prize money as a symbol of national honor—similar to awards that typically enjoy tax exemptions for uplifting India’s global image.

2. Government’s Policy on Promoting Sports

To support sporting excellence, the government aimed to encourage athletes by offering incentives like tax relief. Exempting such income helped reinforce India’s commitment to nurturing talent and celebrating international success.

3. Cricketers as National Icons

Cricketers hold a special place in Indian society. Recognizing their role in uniting the nation and boosting morale, the government granted exemptions as a mark of respect and appreciation for their contributions to national pride.

4. Constitutional and Policy Considerations

The exemption aligned with broader constitutional values—rewarding merit and promoting excellence. Taxing such achievements could have discouraged athletes, contradicting the policy goal of elevating India’s international standing.

5. Foreign Earnings in a National Context

Even though foreign income is generally taxable, the government made an exception, treating the prize money as part of India’s international sporting presence. This move helped protect athlete morale and promote sports diplomacy.

## **Exemption of Indian Chess Players from Income Tax on Prize Money:**

### **A Comparison with the Indian Cricket Team's 2003 Exemption;**

Indian athletes, whether they are cricketers, chess players, or sportspeople from various other disciplines, bring immense pride to the nation with their remarkable performances on global platforms. The taxation of earnings such as prize money won by these athletes has been a topic of legal debate, particularly when the winnings are from international tournaments. This article examines the possibility of tax exemptions for Indian chess players, specifically concerning prize money earned from international competitions, by referencing the 2003 tax exemption granted to the Indian cricket team.

The Indian cricket team's tax exemption on their prize money after the 2003 ICC Cricket World Cup has set a legal precedent for other Indian athletes, including chess players, who might seek similar relief from taxes on foreign earnings. This article will first outline the relevant provisions of the Income Tax Act regarding the taxation of prize money and then draw comparisons between the Indian cricket team's 2003 exemption and the potential tax exemption that could apply to an Indian chess player's prize money.

### **Indian Chess Players and Tax Exemption: Drawing Parallels**

Indian chess players, such as Gukesh, who recently won ₹11.45 crores in prize money from an international tournament in Singapore, may be eligible for similar tax exemptions on their prize money as those granted to the Indian cricket team. In this context, we explore the basis for such an exemption and assess whether the principles established by the Indian cricket team's 2003 tax exemption can be applied to chess players

#### **1. National Pride and Achievement:**

Just as cricket has earned global recognition, chess has also established its place on the international stage. Winning a prestigious tournament such as the Singapore Chess Championship is a significant accomplishment. Gukesh's victory not only brings him personal acclaim but also enhances India's reputation in intellectual sports. Although chess differs from cricket in terms of gameplay, it remains a reflection of India's national pride. This was a key factor in the Indian cricket team's tax exemption in 2003 and could similarly apply to Gukesh's winnings. The argument here is that the prize money earned by individuals or teams in international tournaments should be seen as a contribution to national pride, rather than personal income.

## **2. Income from Foreign Sources:**

Under Section 5 of the Income Tax Act, Indian residents are subject to taxation on their global income. In Gukesh's case, the prize money he earned in Singapore qualifies as foreign income. However, Section 10(17A) of the Income Tax Act provides that certain prize money won by athletes may be exempt from tax. Gukesh's situation aligns with this provision, as chess is recognized as a sport, and he can argue that his winnings from the Singapore Chess Championship should qualify for an exemption, given that he is representing India in international competitions.

## **3. Government's Support for Sports:**

Similar to the Indian cricket team, the government actively promotes excellence in all areas of sports, including intellectual disciplines like chess. Various government bodies, including the Sports Ministry, have been making concerted efforts to provide support and incentives to athletes from diverse sports. The Indian government recognizes the significance of encouraging young talent and ensuring that athletes are financially supported in their journey to represent the nation on the global stage.

## **4. Legal Precedent:**

The exemption granted to the Indian cricket team in 2003 established a key legal precedent that could be applied to other athletes who achieve success in international competitions. The exemption was based on the understanding that income earned through representing the country on the world stage should not be treated as regular income and, therefore, should not be taxed. This legal principle could be extended to Gukesh, as the framework set by the 2003 case could apply to chess players, provided they meet the required criteria.

## **5. Section 10(17A) and Other Provisions:**

According to Section 10(17A) of the Income Tax Act, individuals who receive prizes for remarkable achievements in sports are eligible for tax exemptions. This provision applies to both individual sports, such as chess, and team sports, like cricket. Therefore, Gukesh, as a professional chess player, could argue that his prize money from the Singapore Chess Championship qualifies for exemption from taxation under this section.

## VI. CONCLUSION:

In conclusion, Gukesh's remarkable victory at the Singapore Chess Championship has not only demonstrated his exceptional talent but also brought immense pride to India. Drawing from precedents set by the Indian cricket team's tax exemption in 2003 and the legal principles established in the Sachin R. Tendulkar case, it is clear that Gukesh's prize money should be treated not as personal income, but as a symbol of national achievement. As India's representative on the global stage, Gukesh's winnings contribute to the country's honor, much like the accomplishments of other athletes in internationally recognized sports.

By applying Section 80RR of the Income Tax Act, as seen in the Sachin R. Tendulkar case, Gukesh can rightfully claim tax exemption on his prize money. Additionally, considering his success as a source of national pride, the exemption provisions under Section 10(17A) should also apply, just as they did for the Indian cricket team in 2003. This would send a strong message that intellectual sports, like chess, deserve the same recognition and support as physical sports. The government's stance on promoting sports should extend equally to intellectual sports like chess, further encouraging young athletes to pursue excellence without the financial burden of heavy taxation.

The support from the Tamil Nadu MP, who has formally requested the Prime Minister for Gukesh's tax waiver, strengthens this case, underscoring the national importance of such an exemption. As the MP aptly stated, "Gukesh's victory is a triumph for our nation, and his achievements should be celebrated without the hindrance of undue taxation." By granting this tax relief, the government would not only reward individual excellence but also foster the growth of chess in India, encouraging future generations of talented athletes to shine on the international stage. Granting tax exemptions to chess players would do more than just provide financial relief to individual athletes. It would serve as a crucial step towards encouraging the growth of chess in India, a country traditionally focused on physical sports. Chess, although an intellectual game, is increasingly gaining international recognition, and its players should be treated with the same respect and support as athletes in more physically demanding sports. By treating chess on par with other sports, the government would not only be fostering national pride but also promoting the growth of the sport at all levels. This approach would help ensure that players like Gukesh receive the necessary encouragement and resources to continue excelling at the global level. Furthermore, it would create a positive environment for the

younger generation of chess players, giving them more opportunities to shine and succeed, and ultimately contributing to the future of Indian chess on the world stage.

**END NOTES:**

- <https://www.casemine.com/judgement/in/5d3163873321bc6e5935a55d>
- <https://www.google.com/amp/s/www.indiatoday.in/amp/india/tamil-nadu/story/tamil-nadu-mp-urges-pm-modi-for-tax-waiver-on-chess-champion-gukeshs-rs-1145-crore-winnings-2651716-2024-12-18>
- <https://timesofindia.indiatimes.com/business/india-business/it-exemption-for-cricket-squads-prize-money/articleshow/39106582.cms>

