

In the Interim Finance Bill for 2019, the following proposals have been made which would be effective from AY 2020-21:-

## A. RATES OF TAX/ THRESHOLD LIMIT

### a. Individual

Taxable Income Slab (INR)	Tax rates		
	General	Senior Citizen	Very Senior Citizen
Up to 2,50,000*	NIL	NIL	NIL
2,50,001 to 3,00,000*	5%	NIL	NIL
3,00,001 to 5,00,000*	5%	5%	NIL
5,00,001 to 10,00,000	20%	20%	20%
10,00,001 and above	30%	30%	30%

- No change in tax slabs, basic tax rates and Surcharge
- No change in the basic AMT rate i.e. 18.5%
- Surcharge @10% applicable where income exceeds INR 50 lakhs and @ 15% where income exceeds INR 1 crore
- Health and Education Cess applicable @4%
- \* Tax rebate increased to INR 12,500 (earlier INR 2,500) for taxpayers having a total income (after deductions) of INR 5,00,000 (earlier INR 350,000). Only resident Individual taxpayers having taxable income upto INR 500,000 to get full tax rebate

### b. Companies

Particulars	Domestic Companies	Foreign Companies
Turnover/ Gross Receipts upto INR 250 crore in FY 2017-18	25%	40%
Turnover/ Gross Receipts above INR 250 crore in FY 2017-18	30%	40%

- No change in tax slabs, basic tax rates and Surcharge
- No change in the basic MAT rate i.e. 18.5%

- For domestic companies, surcharge of 7% applicable where income exceeds INR 1 crore and 12% where income exceeds INR 10 crore
- For foreign companies, surcharge of 2% applicable where income exceeds INR 1 crore and 5% where income exceeds INR 10 crore
- Health and Education Cess applicable @4%
- c. No change in tax slabs, basic tax rates and Surcharge for all other Assesseees i.e. HUF, AOP, BOI, Firm, LLP, etc.

## **B.SALARY INCOME**

- Standard deduction increased from INR 40,000 to INR 50,000

## **C.HOUSE PROPERTY INCOME**

- Any 2 houses allowed to be declared as self-occupied with an option to claim Nil annual value
- However, the aggregate deductions of both self-occupied houses u/s. 24 shall not exceed INR 200,000
- Notional rent on house property held as stock-in-trade (unsold inventory) to be considered as Nil for **2 years** (earlier 1 year) from the end of the financial year in which construction completion certificate is obtained

## **D.CAPITAL GAINS**

- Capital gains benefit u/s. 54 increased from investment in 1 residential house to 2 residential houses. The same is only a one-time opportunity. Applicable only in case long term capital gains does not exceed INR 2 crores

## **E.DEDUCTIONS - SECTION 80-IBA - PROFITS & GAINS FROM HOUSING PROJECTS**

- Time limit for obtaining approval of housing project extended to 31st March 2020

## **F. TDS LIMITS**

- Interest income on time deposits, paid by a banking company, co-operative society or a post office - Threshold limit increased from INR 10,000 to INR 40,000
- Rental Income - Threshold limit increased from INR 180,000 to INR 240,000