

# BUDGET-2023

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# TAX RATES



## Old Slab Rates

- ▶ Up to ₹2,50,000 Nil
- ▶ From 2,50,001 to 5,00,000 5%
- ▶ From 5,00,001 to 10,00,000 20%
- ▶ Above 10,00,000 30%

## New Regime

- ▶ Up to ₹3,00,000 Nil
- ▶ From 3,00,001 to 6,00,000 5%
- ▶ From 6,00,001 to 9,00,000 10%
- ▶ From 9,00,001 to 12,00,000 15%
- ▶ From 12,00,001 to 15,00,000 20%
- ▶ Above 15,00,000 30%

# TAX RATES



- ▶ The Threshold limit of total income for rebate u/s 87A is increased from ₹5 lakhs to ₹7 lakhs for assessee's opting for the new tax regime.
- ▶ In new tax regime, the highest rate of surcharge of 37% on income above ₹5cr. Is reduced to 25%
- ▶ Employee opting new tax regime of section 115BAC will be allowed a standard deduction from salary income.
- ▶ The new tax regime will be a default regime unless existing regime is opted.

# Business & profession



- ▶ Sum payable to MSMEs shall be allowed only on a payment basis U/s 43B.
- ▶ Threshold limit for sec.44AD & 44ADA is increased to ₹3cr. And ₹75 lacs respectively. The increased limit shall apply where at least 95% of receipts & payments be made through non-cash modes.
- ▶ Restrictions imposed on setting off of unabsorbed depreciation & bought forward losses by assesses opting sec.44BB & 44BBB.

# TDS & TCS



- ▶ The rate of TDS on EPF withdrawal shall be 20% instead of the maximum marginal rate if the recipient doesn't furnish his PAN.
- ▶ The rate of TCS on overseas tour packages and remittance to abroad increased from 5% to 20% without any limit.
- ▶ Exemption from TDS on payment of interest on listed debentures to a resident is removed.
- ▶ Payment made under JDA (Joint development Agreement) in the form of cheque, draft or another electronic mode shall be covered under TDS net of sec.194C
- ▶

# CAPITAL GAINS



- ▶ Conversion of physical gold into Electronic Gold Receipts and vice-versa by SEBI-registered vault manager shall not be considered a transfer for capital gains.
- ▶ Exemption U/s 54 & 54F can be claimed of ₹10cr.
- ▶ The cost of acquisition of select intangible assets and rights shall be NIL.
- ▶ Gains arising on transfer, redemption or maturity of Market Linked Debentures are to be taxed as short term capital gains u/s 50AA

# Deductions and exemptions

- ▶ Receipts from Life Insurance Policies issued on after 01-04-2023 shall be taxed as income from other sources, if the premium paid is above ₹ 5lacs in a year. Exemption shall continue in the case of receipt on death of the insured person.



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# Penalties

- ▶ A penalty of ₹5000 is to be levied on financial institutions furnishing SFTs for inaccuracies due to false information submitted by account holders. The institution may recover the penalty from the account holder.
- ▶ Penalty u/s 271c and prosecution u/s 276B to be launched for failing to deduct tax u/s 194R or 194S on the benefits passed in kind.



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# Assessment & appeals



- ▶ An appeal can be filed against penalty orders imposed by the commissioner(Appeals) U/s 271AAB, 271AAC, 271AAD and revision orders passed by Principal Chief Commissioner or Chief Commissioner U/s 263. The amendment enables the filing the memorandum of cross objections in all cases appealable to the Appellate Tribunal.
- ▶ The amendment is proposed to Sec.132 to allow the authorized officer to seek assistance from approved professionals, such as digital forensic experts and registered valuers, during the search & seizure process.
- ▶ The completion of assessment in search cases will be linked to the execution of the last authorization during the search.
- ▶ A new appellate authority of the Joint Commissioner(Appeal) is introduced for select categories of assesses, such as individuals & HUFs, to expedite resolution in appeal proceedings.

# ASSESSMENT & APPEALS



- ▶ The time available for completion of assessment is increased from 9 months to 12 months w.e.f A/Y 2022-23
- ▶ If an assessment or reassessment is pending in search cases, the deadline for completion of assessment or reassessment shall be extended by 12 months for the assessee for whom the search was initiated or the requisition was made and the assessee to whom any seized or requisitioned money, bullion, jewellery or other valuable items belong or to whom any seized or requisitioned books of account or documents pertain or contain relevant information.

# MISCELLANEOUS



- ▶ On filling an updated return, the interest will be computed on the difference between assessed tax and the advance tax claimed in the earlier return.
- ▶ Distributions by the business trust to its unit holders, shown as debt repayment, are made taxable in the hands of unit holders.
- ▶ No more deductions by claiming interest on house property u/s24 & considering the same as a part of the cost of acquisition.
- ▶ “ Mahila Summaan Yojna” a short term saving scheme for women/girl has been proposed. Interest will be available on this @7.5%. The duration of this scheme is 2 years which will be ended in 2025

# THANK YOU



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