Budget Highlights 2015

- Objective of stable taxation policy and a non-adversarial tax administration.
- Fight against the scourge of black money to be taken forward.
- Efforts on various fronts to implement GST from next year 2016.
- No change in rate of personal income tax.
- Proposal to reduce corporate tax from 30% to 25% over the next four years, starting from next financial year
- Rate of Income-tax on royalty and fees for technical services reduced from 25% to 10% to facilitate technology inflow.
- Excise duty on chassis for ambulance reduced from 24% to 12.5%.
- Balance of 50% of additional depreciation @ 20% for new plant and machinery installed and used for less than six months by a manufacturing unit or a unit engaged in generation and distribution of power is to be allowed immediately in the next year.
- Wealth-tax replaced with additional surcharge of 2 per cent on super rich with a taxable income of over `1 crore annually.
- Domestic transfer pricing threshold limit increased from `5 crore to ` 20 crore.
- Excise duty on footwear with leather uppers and having retail price of more than `1000 per pair reduced to 6%.
- Time limit for taking CENVAT credit on inputs and input services increased from 6 months to 1 year.
- Service-tax plus education cesses increased from 12.36% to 14% to facilitate transition to GST.
- Donation made to National Fund for Control of Drug Abuse (NFCDA) to be eligible for 100% deduction u/s 80G of Income-tax Act.
- 100% deduction for contributions, other than by way of CSR contribution, to Swachh Bharat Kosh and Clean Ganga Fund.
- Clean energy cess increased from `100 to `200 per metric tonne of coal, etc. to finance clean environment initiatives.

- Excise duty on sacks and bags of polymers of ethylene other than for industrial use increased from 12% to 15%.

- Enabling provision to levy Swachh Bharat cess at a rate of 2% or less on all or certain services, if need arises.

- Services by common affluent treatment plant exempt from Service-tax

- Increase in basic custom duty: ♦ Metallergical coke from 2.5 % to 5%. ♦ Tariff rate on iron and steel and articles of iron and steel increased from 10% to 15%. ♦ Tariff rate on commercial vehicle increased from 10 % to 40%

- Service-tax exemption: ♦ Services of pre-conditioning, pre-cooling, ripening etc. of fruits and vegetables. ♦ Life insurance service provided by way of Varishtha Pension Bima Yojana. ♦ All ambulance services provided to patients. ♦ Admission to museum, zoo, national park, wile life sanctuary and tiger reserve. ♦ Transport of goods for export by road from factory to land customs station

- Income-tax Act to prohibit acceptance or payment of an advance of `20,000 or more in cash for purchase of immovable property. Quoting of PAN is being made mandatory for any purchase or sale exceeding the value of `1 lakh. The third party reporting entities would be required to furnish information about foreign currency sales and cross border transactions. Provision is also being made to tackle splitting of reportable transactions. To improve enforcement, CBDT and CBEC will leverage technology and have access to information in each other's database.

  As part of the movement towards GST, I propose to subsume the Education Cess and the Secondary and Higher Education Cess in Central Excise duty. In effect, the general rate of Central Excise Duty of 12.36% including the cesses is being rounded off to 12.5%. I also propose to revise the specific rates of Central Excise duty in certain other commodities, as detailed in the Annexure. However, in the case of petrol and diesel such specific rates are being revised only to the extent of subsuming the quantum of education cess presently levied on them, keeping the total incidence of excise duties unchanged. The ad-valorem rates of excise duty lower than 12% and those higher than 12% with a few exceptions are not being increased. Some changes are also being made to excise levy on cigarettes and the compounded levy scheme applicable to pan masala, gutkha and certain other tobacco product

.➢ Increase in the limit of deduction in respect of health insurance premium from `15,000 to `25,000.

  - For senior citizens the limit will stand increased to `30,000 from the existing `20,000.

- For very senior citizens of the age of 80 years or more, who are not covered by health insurance, deduction of ` 30,000 towards expenditure incurred on their treatment will be allowed.

- The deduction limit of ` 60,000 towards expenditure on account of specified diseases of serious nature is proposed to be enhanced to `80,000 in case of very senior citizens.
- Additional deduction of ` 25,000 will be allowed for differently abled persons under Section 80DD and Section 80U of the Income-tax Act.
- The limit on deduction on account of contribution to a Pension Fund and the New Pension Scheme is proposed to be increased from`1 lakh to `1.5 lakh.
- To provide social safety net and the facility of pension to individuals, an additional deduction of ` 50,000 is proposed to be provided for contribution to the New Pension Scheme under Section 80CCD. This will enable India to become a pensioned society instead of a pensionless society.
- Investments in Sukanya Samriddhi Scheme is already eligible for deduction under Section 80C. All payments to the beneficiaries including interest payment on deposit will also be fully exempt.
- Transport allowance exemption is being increased from `800 to `1,600 per month.
- For the benefit of senior citizens, service tax exemption will be provided on Varishta Bima Yojana.