BUDGETS ANALYSIS 2015-16 for

Common Man of India

Presented by

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INCOME TAX

Income Tax Rate

Finance Minister Arun Jetly announced the Budget 2015 on 28th Feb and announced that an individual taxpayer can now claim exemption from Income tax for income up to Rs 444200. It means that there is no change in the Slab Rates applicable for 2015-16.The Slab Rates for 2015-16 are the same as Slab Rates for 2014-15.

INCOME TAX RATE

1. **For Male and Female Individual below 60 years of age & HUF**

Income Tax Slabs	**Income Tax Rates**
Where Total Income < Rs 250000	**Nil**
Where Total Income > 250000 < 500000	**10% of the amount by which it exceeds Rs 250000**
Where Total Income > 500000 < 1000000	**20% of the amount by which it exceeds Rs 500000**
Where Total Income > 1000000	**30% of the amount by which it exceeds Rs 1000000**

2. **For all Senior Citizen above 60 years of Age.**

Income Tax Slabs	***Income Tax Rates***
Where Total Income < Rs 300000	**Nil**
Where Total Income > 300000 < 500000	**10% of the amount by which it exceeds Rs 300000**
Where Total Income > 500000 < 1000000	**20% of the amount by which it exceeds Rs 500000**
Where Total Income > 1000000	**30% of the amount by which it exceeds Rs 1000000**

3. **For all Senior Citizen above 80 Years of Age**

Income Tax Slabs	***Income Tax Rates***
Where Total Income < Rs 500000	**Nil**
Where Total Income > 500000 < 1000000	**20% of the amount by which it exceeds Rs 500000**
Where Total Income > 1000000	**30% of the amount by which it exceeds Rs 1000000**

- Corporate Tax rates proposed to be reduced from 30% to 25% over the next four years , starting from next financial year.
- Transport allowance exemption increased from Rs.800 to Rs.1600
- The Income Tax rate on Royalty and Fees for technical Services in case of non Residents @25% proposed to be reduced to 10%
- Additional surcharge @2% being levied on income exceeding Rs 1 crore.This Surcharge would be levied in place of Wealth Tax which is proposes to be abolished.
- Budget 2015 has announced an amendments to Section 194A and now TDS on recurring Deposit would be deducted @10% of the interest earned from 1st June 2015.However No TDS would be deducted on interest earned upto RS 10000 to safeguard the interest of small Depositor.
- PAN is mandatory for all transaction exceeding Rs 1 lakhs.
- Yoga included under the ambit of charitable purpose u/s 2(15) of Income Tax Act

DEDUCTION FROM GROSS TOTAL INCOME

- Sukanya Samriddhi Account Scheme: The Investment made in the scheme will be eligible for deduction under section 80C of the Act. The Interest accruing in such account will be exempt from Income Tax from 1st April 2015. 

- It is proposed to amend Section 80D so as to raise the limit of deduction from Rs 15000 to Rs 25000.Further Limit of deduction for senior citizen is proposed to be amend from Rs 20000 to Rs 30000.It is also proposed to provide a deduction u/s 80Din respect of any payment made on account of medical expenditure in respect of very senior citizen subject to

a limit Rs 30000.
This amendment will be take effect from 1st April 2016

- ❖ The Limit of deduction under Section 80DDB is proposed to be increased to Rs 80000 in respect of amount paid for medical treatment of very senior citizen.
  This amendment will be take effect from 1st April 2016

- ❖ It is also proposed to amend sec 80DD and Sec 80U to increase the limit from Rs 50000 to Rs 75000 in respect of person with disability and Rs 100000to Rs 125000 in respect of person

with severe disability.
This amendment will be take effect from 1st April 2016

- ❖ Section 80CCC(1) is also proposed to amend which provides for deduction of amount paid or Deposit for any annuity plan of LIC or any insurer from Rs 100000 to 150000 within the overall limit provided in section 80CCCE

- ❖ Section 80 G is proposed to be amended to provide for 100% deduction in respect of donation made to National Fund for control of Drug Abuse and Swachh Bharat Kost and to clean ganga Fund.

INDIRECT TAXES

- ❖ Central Excise Duty to be rounded off to 12.5% from 12.36% .This rate is effective from 1St March 2015.
- ❖ Service Tax to be increased from 12.36% to 14% .Date of levy of new rate will be effective after enactments of finance Bill 2015.This the time is notified the rate will be 12.36% only.
- ❖ An enabling provision is being made to empower central government to impose a swachh Bharat Cess on all or any of the taxable services @ 2% of the value of taxable services with the objective of financing and promoting Swachh Bharat initiatives