UNION BUDGET 2016 HIGHLIGHTS

- **Rebate u/s 87A Increased To ₹ 5000.** For Taxable Income Not Exceeding ₹ 500,000, A Tax Rebate Of ₹ 5000 Is Now Available.
- If You Are Not Receiving Any HRA And Don't Own A House, You Can Now u/s 80GG, Claim A **Deduction For Rent Paid Up To ₹ 60,000**.
- **Small Businesses Having A Turnover Of ₹ 200 Lakhs Or Less**, Can Now u/s 44AD, Choose To Pay Tax On 8% Of Their Turnover, And Avoid Keeping Any Books Of Accounts Or Getting Their Accounts Audited.
- **Professionals Having A Turnover Of ₹ 50 Lakhs Or Less**, Can Now u/s 44ADA, Choose To Pay Tax On 50% Of Their Turnover, And Avoid Keeping Any Books Of Accounts Or Getting Their Accounts Audited. Further More, Tax Audit u/s 44AB, In Case of Professionals, Would Now Apply Only If Their Turnover Exceeds ₹ 50 Lakhs.
- **Withdrawals From National Pension Scheme** Up To A 40% Of The Accumulated Corpus (On Maturity) To Be **Tax Free**.
- **eAssessments Enabled.** Income Tax Scrutiny Notices Can Now Be Replied Online And Documents Can Be Submitted Online.
- Capital Gain And Interest Under **Gold Monetization Scheme** To Be Totally **Tax Free**.
- **Belated IT Returns** Can Now Be Revised, But Time Available For Filing A Belated Return Is Now Reduced To The Last Day Of Relevant Assessment Year.
- **Corporate Tax Rate** For Companies With Turnover Less Than ₹ 500 Lakhs, Reduced To 29%.
- NBFCs Shall Be Allowed A Deduction Of 5% Of Gross Total Income On Account Of **Provision For Bad And Doubtful Debts.**
- **Disclose Any Untaxed Income,** Pay Tax @ 45% And Escape Interest, Penalty, And Prosecution. One Time Compliance Scheme To Be Open From June 1 Till Sept. 30, 2016.
- In Case Of **Contributions Made To Employees' PF** Accounts From April 1, 2016, 60% Of The Accumulated, Corpus Will Be Taxable On Withdrawal. Also, The Employer's Contribution Beyond ₹ 1.5 Lakhs Per Annum Per Employee Will Be Taxable In The Hands Of The Employee.
- **Surcharge In Case Of Income Above ₹ 100 Lakhs** Goes Up From 12% To 15% Increasing The Effective Income Tax Rate To 35.535%.
- **Dividend Income In Excess Of ₹ 10 Lakhs** Would Now Be Taxed @10%.
- A **New Krishi Kalyan Cess Of 0.5%** Imposed On The Taxable Value Of All Services, Increasing The Effective Service Tax Rate To 15%.
- Now **Advance Tax By Individuals** Is To Be Paid In 4 Installments With The First Installment To Be Paid By June 15th Every Year.
- Excise Duty Introduced On **Jewellary, And Ready Made Garments** Of Retails Price Of ₹ 1000 Or More.
- **1% TDS On Purchase Of Cars** Of Value Exceeding ₹ 10 Lakhs And On Purchase Of Goods \ Services In Cash For Value Exceeding ₹ 2 Lakhs.

For Any Further Guidance, Please Feel Free To Contact Us.

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