BUDGET HIGHLIGHTS FOR 2017

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INCOME TAX:

- Individual Basic exemption limited NOT CHANGED.
- Individual 5% income tax for assessee for income from 2.5 lacs to 5 lacs, 5 lacs to 10 lacs 20% and total income exceed 10 lacs 30%.
- No scrutiny for first year for first time filer of income tax return.
- 10% surcharge will be levied for income ranging from Rs.50 lacs to Rs.1 crore in a year.
- 15% surcharge will be levied for income over 1 crore in a year.
- Special investigation team to setup for monitoring black money.
- 44 AD (Presumptive income) limit increased to 2 crore.
- 6% presumptive income instead of 8% having turnover less than 2 crore
- 44 AA limit increased to 25 lacs for business and income of person being an individual & HUF to 2.5 lacs
- Individuals and HUF to deduct TDS, even if unaudited, @ 5% if rent is paid exceeding 50000/- per month, effective from 1st June, 2017
- TDS of 5% not to be deducted for individual insurance agents if they certify their income to be below taxable limit.
- Limit u/s 40A(3) for payment of cash expenditure now allowed only Rs.10000/- instead of Rs.20000/- per transaction
- A single one page form filing IT returns for taxable income up to Rs.5 lacs
- No cash transaction above 3 lacs without PAN
- Professionals can pay advance tax in one installments if below Rs. 50 Lacs
- The time limit for revising income tax return has been reduced i.e. time for furnishing of revised return shall be available up to the end of the relevant assessment year or before the completion of assessment, whichever is earlier.

- The assessment year 2018-2019, the time limit for making an assessment order under section 143 or 144 shall be reduced to 18 months.

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- LIC come up with 8% guaranteed pension scheme for 10 years for senior citizen
- Increase in threshold limit for audit for persons having income from profession from Rs. 25 Lacs to Rs. 50 Lacs.
- Rebate u/s 87A shall be allowed if total income does not exceed Rs.3.5 Lacs instead of Rs.5 Lacs.
- Rebate u/s 87A of Rs.5000/- reduced to Rs.2500/-

CAPITAL GAINS

- Holding of Immovable property period of 3 year reduced to 2 year to treat assets as long term.
- Base year for indexation now 2001 instead of 1981
- Deemed sale value for sale of unquoted shares introduced. To be taxed at fair value. (Sec 50CA)
- Capital gain on shares will be exempt only if STT was paid while purchasing the shares.
- For joint development agreement, the liability to pay capital gain tax will arise in the year in which project is completed.

CORPORATES

- Corporate Income tax reduced to 25% if having turnover up to 50 crore instead of 30%
- MAT can be carried forward for 15 years by companies as against 10 years allowed earlier.

POLITICAL PARTIES

- Political funding: Maximum amount of cash donation that can be received is Rs. 2000/- per entity
- Political parties can receive donations by cheques or digitally
- Every party has to file returns within specified time

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INDIRECT TAXES

- No change in excise and service tax rates due to upcoming GST

RAILWAY BUDGET

- No change in passenger fares
- Service charges for e-ticket booking through IRCTC website to be withdrawn
- IRCTC & IRCON as a company to be listed on stock exchange
- 3,500 km railway lines to be commissioned in 2017-18
- A new metro rail policy will be announced with focus on innovative models of Implementation and finance.
- Allocation for railways in 2017-18 for Rs 1,31,000 crore

OTHERS

- FDI Investments - 1.45 Lakh Crores (16-17) 1st Half
- Total Expenditure Estimated at 21.47 Lac Crores
- Insurance company has to invest 25% in Infra bonds
- 10,000 Crores to PSU banks for Recapitalization, Double landing targets to Bank 2.44 Lacs Crores, 2.44 Lac Crores under mudra scheme
- National highway allocation at Rs 64,000 crore.
- Fiscal Deficit at 3.2% (17-18) & 3% (18-19)
- Start up rules to be relaxed.
- 8% guaranteed pension for 10yrs by LIC of India scheme
- Additional 5,000 post-graduate seats per annum and two new AIIMS to be set up in Jharkhand and Gujarat.

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- Allocation 19,000 Crores to PM Gram Sadak Yojna
- Allocation 48,000 Crores to MNREGA
- 2 schemes to promote BHIM app, One is a referral scheme and the other is a cash-back.
- 20,000 MW solar power plants to be set up.
- Defense budget (not including pensions) increased by Rs 274,114 crores.
- Head post offices to be used as the front office for passport services.
- National Housing Bank will refinance individual loans worth Rs 20,000 crore in 2017-18.