DIRECT TAX BUDGET 2017 SYNOPSIS

RATE OF INCOME TAX

Person	Slab	Tax Rate	Remarks
INDIVIDUAL WHO IS OF THE AGE BELOW 60 YEARS	Upto 2,50.000	Nil	**Benefit of Rs. 12500/-**
	2,50,001 to 5,00,000	5%	
	5,00,001 to 10,00,000	20%	
	Above 10,00,000	30%	
INDIVIDUAL WHO IS OF THE AGE 60 YEARS OR LESS THEN 80 YEARS	Upto 3,00.000	Nil	**Benefit of Rs. 10000/-**
	3,00,001 to 5,00,000	5%	
	5,00,001 to 10,00,000	20%	
	Above 10,00,000	30%	
INDIVIDUAL WHO IS OF THE ABOVE 80 YEARS	Upto 5,00.000	Nil	**No Benefit or Loss from last year**
	5,00,001 to 10,00,000	20%	
	Above 10,00,000	30%	
HINDU UNDIVIDED FAMILY	Upto 2,50.000	Nil	**Benefit of Rs. 12500/-**
	2,50,001 to 5,00,000	5%	
	5,00,001 to 10,00,000	20%	
	Above 10,00,000	30%	
ASSOCIATION OF PERSONS	Upto 2,50.000	Nil	**Benefit of Rs. 12500/-**
	2,50,001 to 5,00,000	5%	
	5,00,001 to 10,00,000	20%	
	Above 10,00,000	30%	
BODY OF INDIVIDUAL	Upto 2,50.000	Nil	**Benefit of Rs. 12500/-**
	2,50,001 to 5,00,000	5%	
	5,00,001 to 10,00,000	20%	
	Above 10,00,000	30%	
ARTIFICAL JURIDICAL PERSON	Upto 2,50.000	Nil	**Benefit of Rs. 12500/-**
	2,50,001 to 5,00,000	5%	
	5,00,001 to 10,00,000	20%	
	Above 10,00,000	30%	

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CO-OPERATIVE SOCEITIES	Upto 10,000	10%	**No Benefit or Loss from last year**
	10,001 to 20,000	1000 + 20% of Rs. 10,000	
	Above 20,000	3000 + 30% of Rs. 20,000	
FIRMS	From one rupee	30%	**No Benefit or Loss from last year**
COMPANIES HAVING TURNOVER UPTO 50 CRORES	From one rupee	25%	**5% Benefit from last year**
COMPANIES HAVING TURNOVER MORE THAN 50 CRORES	From one rupee	30%	**No Benefit or Loss from last year**

It has been proposed to lessen tax burden on individuals with income not exceeding 3.5 lakhs, by reducing the ceiling of tax rebate under section 87A from Rs. 5000 to Rs. 2,500.

It has also been propose to raise the surcharge 10% whose annual taxable income is between 50 Lakhs to 1 Crore and 15% having annual taxable income above Rs.1 crore on individuals.

AMENDMENTS RELATING TO INCOME FROM HOUSE PROPERTY

In order to address the existing anomaly of interest deduction in respect of let out property vis-à-vis self-occupied property, it is proposed to restrict set off of loss from house property against income under any other head during the current year up to Rs 2 lakhs. The loss not so set off would be allowed to be carried forward for set off against house property income for eight assessment years

AMENDMENTS RELATING TO INCOME FROM BUSINESS AND PROFESSION

No person shall receive payment or aggregate of payments of an amount of 3 lakh rupees or more from a person in a day, or in respect of a single transaction, or in respect of transactions relating to one event or occasion, otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account. Such restriction shall not apply to Government, banks or such other persons or class of persons or receipts notified by the Central Government. It is also proposed to provide for a penalty in case of contravention of this provision

The rate has been changed from 8% to 6% as presumptive Income tax for small and medium tax payers whose turnover is upto Rs. 2 Crores.

The Limit for cash expenditure allowable as deduction, both for revenue as well as capital expenditure, to Rs. 10,000. Similarly, the limit of cash donation which can be received by a charitable trust is being reduced from Rs. 10,000/- to Rs. 2000/-

Increase in the threshold limit for audit of business entities who opt for presumptive income scheme from Rs.1 crore to Rs.2 crores. Similarly, the threshold for maintenance of books for individuals and

HUF is being increased from turnover of Rs.10 lakhs to Rs. 25 lakhs or income from Rs.1.2 lakhs to Rs. 2.5 lakhs.

AMENDMENT RELATING TO INCOME FROM CAPITAL GAIN

Section 56 of the Income-tax Act to provide that any money, immovable property or specified movable property received without consideration or with inadequate consideration, by any person, subject to certain exemption and exceptions, shall be taxable if its value exceeds Rs. 50,000.

3 years period for Long Term Capital Gain Tax on Immovable Property reduced to 2 Years.

Base Year indexation shifted from 1.4.1981 to 1.4.2001.

AMENDMENT RELATING TO TAX DEDUCTION AT SOURCE

A new provision for tax deduction at source at the rate of 5% by an individual or HUF, other than those whose books of account are required to be audited, while making payment of rent of an amount exceeding Rs. 50,000 per month. It is also proposed to provide that such tax shall be deducted and deposited only once in a financial year through a challan-cum-statement. Further, the deductor shall not be required to obtain TAN or file any separate TDS return for this purpose.

OTHERS

1) Govt. considering option to amend Negotiable Instrument Act to ensure that holders of dishonored cheques get payment.
2) Govt. to introduce two new schemes to promote BHIM App – Referal Bonus for user and Cash Back for Traders.
3) A Scheme for Senior Citizens to ensure 8% guaranteed returns.
4) The extensive reach-out efforts to trade and industry for GST will start from 1st April, 2017 to make them aware of the new taxation system.
5) Scrutiny will be completed by September every year instead of December.
6) Single page Income Tax Return whose Income is below Rs. 5 Lakh other than business income.

With Regards,

SHRIYANS SANCHETI
(Proprietor of SANCHETI & ASSOCIATES)