- **NO CHANGES IN THE INCOME TAX SLAB RATES. PRIMARY EDUCATION CESS & SECONDARY HIGHER EDUCATION CESS HAS INCREASED FROM 3% TO 4% AND NOW RENAMED AS HEALTH AND EDUCATION CESS.**

- **FOR SALARIED EMPLOYEE'S STANDARD DEDUCTION OF 40,000 IS ALLOWED *IN LIEU OF TRANSPORT ALLOWANCES AND MEDICAL TREATMENT EXPENSES*.**

  - ***ANALYSIS*** :
    - EARLIER,FOR SALARIED EMPLOYEES, TRANSPORT ALLOWANCES OF Rs.1,600/- PER MONTH i.e., Rs.19,200/- PER ANNUM (1,600*12) IS ALLOWED AS EXEMPTION UNDER SECTION 10(14)(ii) OF THE INCOME TAX ACT AND MEDICAL TREATMENT EXPENSES INCURRED BY EMPLOYEE AND REIMBURSED BY EMPLOYER OF Rs.15,000/- PER ANNUM IS ALLOWED AS EXEMPTION IF PROPER MEDICAL BILLS ARE PROVIDED.
    - IN BUDGET,FOR STANDARD DEDUCTION OF Rs.40,000/- ALLOWED IN THE BUDGET,NO BILLS ARE REQUIRED TOBE SUBMITTED.
    - NET BENEFIT ALLOWED =40,000-19,200-15,000=5,800.
    - TAX BENEFIT VARIES DEPENDING UPON INCOME UNDER WHICH SLAB THEY FALLS IN AS THERE IN INCREASE IN THE CESS BY 1%

- **LONG TERM CAPITAL GAINS EXCEEDING Rs.1,00,000/- IS TAXABLE @10% WITHOUT INDEXATION BENEFIT IN RESPECT OF LISTED EQUITY SHARES, EQUITY ORIENTED MUTUAL FUNDS, UNITS OF BUSINESS TRUST**
  - ***ANALYSIS*** :
    - PRESENTLY , LTCG ARISING ON EQUITY SHARES OF A COMPANY OR UNITS OF BUSINESS TRUST OR EQUITY ORIENTED MUTUAL FUNDS ON WHICH SECURITIES TRANSACTION TAX (STT) IS PAID IS EXEMPTED U/s. 10(38) AND NOT CHARGEBLE TO TAX.
    - IN BUDGET, IF SUCH LTCG EXCEEDS Rs.1,00,000/-,ASSESSEE IS LIABLE TO PAY TAX @10% WITHOUT INDEXATION BENEFIT. ANY NOTIONAL GAINS TILL 31ST JANUARY 2018 IS EXEMPTED. FOR REDEMPTION DONE BETWEEN 1ST FEB - 31ST MARCH 2018, NO LTCG IS PAYABLE. FOR REDEMPTION DONE AFTER 1ST APRIL 2018, LTCG IS CALCULATED AS,
      LTCG = [SALE CONSIDERATION - (VALUE ON 31ST JAN OR COA WHICHEVER IS HIGHER)].
    - ILLUSTRATION :
      SHARE PRICE AS ON 1ST JULY 2016 - SAY Rs.110/-;
      SHARE PRICE AS ON 31ST JAN 2018 - SAY Rs.160/-;
      SHARE PRICE AS ON 25TH APRIL 2018 - SAY Rs.210/-
      THEN CAPITAL GAIN AS PER BUDGET IS CALCULATED AS FOLLOWS :
      IF SOLD ON 31ST JANUARY, LTCG AS ON 31ST JAN 2018 = 160-110 = Rs.50/- ; THIS LTCG IS EXEMPTED. IF SOLD ON 25TH APRIL, LTCG AS ON 25TH APRIL 2018 = 210-160 = 50/- ; THIS LTCG IS TAXABLE IF IT IS >1,00,000/-

- **CURRENTLY THERE IS NO DIVIDEND DISTRIBUTION TAX (DDT) ON DIVIDEND FROM EQUITY ORIENTED MUTUAL FUNDS. IN BUDGET, DDT @10% IS LEVIABLE ON EQUITY ORIENTED MUTUAL FUNDS WITH EFFECT FROM 1ST APRIL 2018.**

- **COMPANIES WHOSE TURNOVER IS UPTO 250CRORES IN THE FY 2016-17 ARE TAXABLE @25%. CURRENTLY 25% RATE IS APPLICABLE FOR THOSE DOMESTIC COMPANIES WHOSE TURNOVER IS UPTO 50CR IN FY 2015-16.**

- **FOR SENIOR CITIZENS,**
  - **DEDUCTION OF INTEREST INCOME ON DEPOSITS WITH BANKS AND POST OFFICES HAS ENHANCED FROM 10,000/- TO 50,000/- . INTEREST ON FDs ALSO COVERED.**
  - **HIKE IN DEDUCTION LIMIT FOR HEALTH INSURANCE PREMIUM/ MEDICAL EXPENDITURE FROM 30,000/- TO 50,000/- (SECTION 80D).**
  - **HIKE IN DEDUCTION FOR MEDICAL EXPENDITURE INCURRED ON CERTAIN CRITICAL ILLNESS FROM 60,000/- (IN CASE OF SENIOR CITIZEN) AND FROM 80,000/- (IN CASE OF SUPER SENIOR CITIZEN) TO 1,00,000/- (SECTION 80DDB).**

- **E-ASSESSMENT HAS BEEN EXTENDED TO WHOLE INDIA, HENCE PERSON TO PERSON CONTACT IS ALMOST ELIMINATED LEADING TO GREATER EFFICIENCY AND TRANSPARENCY.**

- **CUSTOMS DUTY ON SEVERAL PRODUCTS IS INCREASED. IMPORTANT PRODUCT ON WHICH CUSTOMS DUTY IS ENHANCED FROM 15% TO 20% IS , GUESS WHAT??? MOBILE PHONE.**

- **LOCK IN PERIOD FOR HOLDING OF BONDS HAS BEEN ENHANCED FROM 3 YEARS TO 5 YEARS. THE DEFINITON OF CAPITAL ASSET UNDER THIS SECTION IS NOW RESTRICTED TO LAND AND BUILDING, CURRENTLY IT IS ANY LONG TERM CAPITAL ASSET. CURRENTLY UNDER SECTION 54EC EXEMPTION FROM LONG TERM CAPITAL GAIN IS AVAILABLE IF THE GAINS ARE INVESTED IN THE SPECIFIED ASSET(REC OR NHAI BONDS) WITHIN SIX MONTHS FROM DATE OF SALE.**

- **FOR ENCOURAGING WOMEN WORKFORCE THIER CONTRIBUTION TOWARDS EMPLOYEES PROVIDENT FUND(EPF) REDUCED FROM 12% TO 8% FOR FIRST THREE YEARS. THIS WILL ALLOW THEM HIGHER TAKE HOME PAY.**