# Key Tax Proposal of Budget 2013

- Investment allowance for high value investments, for investments above Rs 100 Cr.. will get 15% more deduction in addition to depreciation. Investment allowance for investments made between FY 13-15.
- No change in tax slab or rate.
- For Rs. 2 lakh to Rs. 5 lakh income slab, tax credit of Rs. 2000 to be provided, 1.8 cr tax payers to benefit.
- Individuals - 10% surcharge on taxable income above Rs. 1cr.
- Corporate tax surcharge, DDT surcharge increase from 5% to 10% Education cess to continue @ 3%.
- Foreign Cos - surcharge to increase from 2.5% to 5%
- 80IA benefit for power sector extended by 1 year...
- Securitisation trust to be exempt from income tax.
- Lower tax on dividend from foreign subsidiary to continue @ 15% for 1 more year; No DDT on further distribution to shareholders
- Pass through status for AIF (angel investors) and specified funds
- 1% TDS on transfer of immovable properties above Rs. 50 lakhs
- 20% TDS on profit distribution by unlisted companies through share buy-back.... FM says this has become a tax avoidance route.
- Royalty & FTS rate for payment to Non-residents to be increased from 10% to 25%, subject to DTAA provisions.
- Commodities Transaction Tax on non-agro futures at 0.01%. CTT will be treated as non-speculative, will be allowed as deduction.
- Propose to incorporate Govt acceptance of Shome committee recommendations on GAAR. GAAR to be effective from 1 April 2016.
- Transfer pricing Safe harbour rules will be issued soon
- DTC work in progress...... DTC intended to be new code, in line with best international practices... FM says will work with Standing Committee and will endeavour to bring DTC bill in budget session itself!
- FM again gives thrust to FDI, says doing business in India must be seen as easy, friendly and mutually beneficial.
- Tax free bonds limit doubled from 25k cr to 50k cr
- Tax Administration Reforms Commission to review tax policy and tax laws.