Availability of Rebate U/s. 87A for FY 2014-15 / AY 2015-16

Finance Act 2014 has increased Income Tax Exemption Limit by Rs. 50000/- for Individuals and Senior Citizens below the Age of 80 Years.

Now Question arises was do Rebate of income-tax under section 87A as applicable for FY 2013-14 also available for FY 2014-15 and subsequent years.

Finance Act 2013 has introduced the rebate U/s. 87A and in this section it has not restricted the exemption to any particular FINANCIAL or Assessment year.

Further in Recently Presented Budget 2014 by Finance Minister Arun Jaitley section 87A was not been amended.

So in our view Rebate U/s. 87A is Available to Resident Individuals , whose total income does not exceed
5 Lakh rupees in even for Financial Year 2014-14 and for Subsequent Years.

Extract of Section 87A is as follows :-

The following section 87A shall be inserted after section 87 by the Finance Act, 2013, w.e.f. 1-4-2014 :
Rebate of income-tax in case of certain individuals.
87A. An assessee, being an individual resident in India, whose total income does not exceed
five hundred thousand rupees, shall be entitled to a deduction, from the amount of income-tax
(as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year,
of an amount equal to hundred per cent of such income-tax or an amount of two thousand rupees, whichever is less.