INCOME TAX

COMPLIANCE HANDBOOK
F.Y.2018-19 (A.Y.2019-20)

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by

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1 Income Tax Rates:

A For Individuals and HUF:

General / NRI	Senior Citizen Age - 60 yrs to 79 yrs	Super Senior Citizen Age - 80 yrs and above	Rate
Upto Rs.2,50,000	Upto Rs.3,00,000	Upto Rs.5,00,000	Nil
Rs.2,50,001 to Rs.5,00,000	Rs.3,00,001 to Rs.5,00,000	-	5%
Rs.5,00,001 to Rs.10,00,000	Rs.5,00,001 to Rs.10,00,000	Rs.5,00,001 to Rs.10,00,000	20%
Above Rs.10,00,001	Above Rs.10,00,001	Above Rs.10,00,001	30%

In addition to above:		
a) Rebate u/s 87 A will be provided to a resident individual whose Net Income < Rs.3,50,000.		Actual Tax Payable or Rs.2,500/- whichever is less
b) Surcharge	Taxable Income > Rs.50 Lakhs but < Rs.1 Crore	Taxable Income above Rs.1 Crore
	15% on Tax	20% on Tax
c) Health and Education Cess		4% on (Tax + Cess)

Standard deduction of Rs.40,000 from Salary income is available for Employees

B For Co-Operative Societies:

Amount	Rate
Upto Rs.10,000	10%
Rs.10,001 to Rs.20,000	20%
Above Rs.20,000	30%

In addition to above:	
a) Surcharge if Taxable Income > Rs.1 Crore	12% on Tax
b) Health and Education Cess	4% on (Tax + Cess)

C For AOP / BOI:

Shares of the Members are determinate and all the members have Income lesser than the basic exemption limit	AOP / BOI will be taxed at the slab rates specifies in 1.1
Shares of the Members are determinate and any one member have Income greater than the basic exemption limit	AOP / BOI will be taxed at the Maximum Marginal Rate i.e., 35.88%
Shares of the Members are indeterminate	

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D For Other Assessees:

Nature of Assesse		Rate
Firms / LLP / Local Authorities		30%
Domestic Companies	If Turnover in F.Y. 2016-17 below Rs.250 Crores	25%
	If Turnover in F.Y. 2016-17 exceeds Rs.250 Crores	30%
Foreign Companies		40%

In addition to above:		
a) Surcharge	Taxable Income > Rs.1 Crore but < Rs.10 Crores	Taxable Income above Rs.10 Crores
Firms	12% on Tax	
Domestic Companies	7% on Tax	12% on Tax
Foreign Companies	2% on Tax	5% on Tax
b) Health and Education Cess		4% on (Tax + Cess)

E Capital Gain Tax Rates:

Particulars	Capital Gain Tax Rates	
	STCG	LTCG
Sale transaction of equity share / units of an equity oriented fund covered under STT	15%	10%*
Sale Transaction Other Than Above:		
Individuals / HUF /Co-Operative Societies	Slab Rates	20% / 10% #
Firms / LLP / Local Authority / Domestic Companies	30%	
Foreign Companies	40%	

* If the amount of LTCG (Including LTCG on Units of Mutual Funds) in a year exceeds Rs.1,00,000/-, the excess amount above Rs.1,00,000/- is taxable at the rate of 10%

20% with indexation or 10% without Indexation for units/ Zero Coupon bonds whichever is beneficial to the assessee

Unlisted shares of company would be treated as short-term capital asset if it is held for a period of 24 months or less

Long term capital on sale of listed mutual funds (other than equity oriented funds) will be taxed at the flat rate of 20%

The Period of holding of Immovable Property (being land or building or both) is 24 months for calculating LTCG

As per Sec.10(38), the long term capital gain arising on sale of equity shares shall be exempt only if, the Securities Transaction Tax has been paid at the time of acquisition of those shares.

The Cost of Acquisition of shares would be higher of the following:
- i) actual cost at which shares are bought
- ii) lower of the following:
  - a) highest price of securities as on 31/01/2018
  - b) full value of consideration

2 Partners Remuneration u/s 40(b):

Book Profit	Amount deductible
Loss	Maximum Rs.1,50,000/-
Less than Rs.3,00,000/-	Rs.1,50,000/- or 90% of book profit, whichever is more
Above Rs.3,00,000/-	90% of Rs.3,00,000/- and 60% of balance book profit

3 Tax Audit Requirements:

Sec	When Audit is required	
	Business	Profession
44AB	Turnover is more than Rs.1 Crore	Gross Receipts is more than Rs.50 Lakhs
44AD / 44ADA	Turnover is less than Rs.2 Crores and Profit is less tha 8%*	Gross Receipts is less than Rs.50 Lakhs and Profit is less than 50%
44AE	More than 10 Vehicles	Not Applicable

* If assessee receives the amount of total turnover by mode otherwise than cash, he / she shall be eligilble to compute deemed profit @ 6% instead of 8%

4 HRA Deduction for Salaried Employees:

The deduction available is the least of the following amounts:

(i) Actual HRA received

(ii) 50% of [Basic salary + DA] for those living in metro cities (40% for non-metros)

(iii) Actual rent paid less 10% of (Basic salary + DA)

5 Deductions under House Property:

A Standard Deduction:

Standard Deduction is 30% of the Net Annual Value in case of Rental / Deemed Rental premises

This 30% deduction is allowed even when the actual expenditure on the property is higher or lower

B Deduction of Interest on Home Loan for the property:

Type of Property	Purchase / Construction Loan	Other Loans
Self Occupied	Maximum Rs.2,00,000/-	Maximum Rs.30,000/-
Rental Property	No limit; Actual interest can be claimed	

Pre Construction Interest is allowed in 5 equal installments starting from the year in which the house is purchased or the construction is completed subject to the maximum limit mentioned above

6 Deductions under Chapter VIA:

Deduction	Particulars	Eligible Deduction
Section 80C	Investment in LIC	Rs.1,50,000 or Actual Investment, whichever is lower
	Investment in National Savings Certificate	
	Investment in Provident Fund	
	Tuition Fee	
	Equity Linked Saving Scheme	
	Mutual Funds	
	Bank Fixed Deposit	
	Housing Loan Repayment	
	Investment in Employee Provident Fund	
	Stamp duty	
	Sukanya Samridhi Scheme	
Section 80CCC	Pension Fund	
Section 80D	Mediclaim (Payment by any mode other than cash)	Rs.25,000 for all taxpayers. Rs.50,000 in case of Senior Citizen.
	Additional deduction for payment of Mediclaim for	Rs.25,000 for Non-Senior citizen parents. Rs.50,000 for Senior Citizen parents
Section 80DD	Maintenance of Dependent with Disability	Rs.75,000 in case of disability. Rs.1,25,000 in case of severe disability.
Section 80DDD	Medical Treatment of Dependent – Senior Citizen or Very Senior Citizen	Rs.40,000 in case of Senior Citizen. Rs.1,00,000 in case of Very Senior Citizen.
Section 80E	Interest on Loan on Higher Education	Amount of interest paid during the previous year upto 8 Assessment Years or until the interest referred is paid full, whichever is earlier.
Section 80EE	Interest on loan for Residential House Property	Upto Rs.50,000/- over and above Rs.2 Lakhs limit u/s 24. (Loan should be sanctioned between 01.04.2016 to 31.03.2017; Value of House < Rs.50 Lakhs; Loan Amount, Rs.35 Lakhs)
Section 80G	Donation	50% /100% of Donation or 10% of adjusted GTI, whichever is lower
Section 80GG	Rent	Lower of:
		Rent paid less 10% of Adjusted Total Income
		25% of the Adjusted Total Income
		Rs.5,000/- per month
80CCG	Investment in Equity saving scheme	50% of total investment subject to max of Rs.25,000
Section 80U	Person with Disability	Rs 75,000/- in case of a person with disability and Rs. 1,25,000/- in case of a person with severe disability.
Section 80TTA	Interest on Deposit in Saving Bank Account	Upto Rs. 10,000/- for Individuals & HUF
Section 80TTB	Interest on Deposits	Upto Rs. 50,000 shall be allowed to resident individuals who are senior citizens.

7 TDS Rate Chart

Section	Nature of Payment	Threshold (Rs.)	Individual / HUF	Others
192	Salaries	Basis on Slab		
192A	Premature withdrawal from EPF	50,000	10%	N.A.
193	Interest on Securities	10,000	10%	10%
194	Dividends	2,500	10%	10%
194A	Interest (Banks)	10,000	10%	10%
	Interest (Others)	5,000	10%	10%
194B	Winning from Lotteries	10,000	30%	30%
194BB	Winning from Horse Race	10,000	30%	30%
194C	Contractor – Single Transaction	30,000	1%	2%
	Contractor – During the F.Y.	1,00,000	1%	2%
	Transporter (44AE) declaration with PAN	0	0	0
194D	Insurance Commission (15G – 15H allowed)	15,000	5%	10%
194DA	Life insurance Policy	1,00,000	1%	1%
194E	Non-Resident Sportsmen or Sports Association	0	20%	20%
194EE	NSS	2,500	10%	10%
194F	Repurchase Units by MFs	0	20%	20%
194G	Commission – Lottery	15,000	5%	5%
194H	Commission / Brokerage	15,000	5%	5%
194I	Rent of Land and Building – F&F	1,80,000	10%	10%
	Rent of Plant / Machinery / Equipment	1,80,000	2%	2%
194IB	Rent by Individual / HUF (wef 01.06.2017)	50,000 per month	5%	N.A.
194IA	Transfer of certain immovable property other than agriculture land	50,00,000	1%	1%
194J	Professional Fees / Technical Fees / etc.	30,000	10%	10%
	Payment to Call Centre Operator	30,000	2%	2%
194LA	Compensation on transfer of certain immovable property other than agricultural land	2,50,000	10%	10%
194LB	Income by way of interest from from infrastructure debt fund	0	5%	5%

8 TCS Rate Chart

Section	Nature of Payment	Rate
206C	Scrap	1%
	Alcoholic Liquor for human consumption	
	Minerals, being coal or lignite or iron ore (applicable from July 1, 2012)	
	Sale of motor vehicle of the value exceeding Rs. 10 Lacs (wef 01.06.2016)	
	Parking Lot, Toll Plaza, Mining and Quarrying	2%
	Timber obtained under a forest lease or other mode	2.50%
	Any other forest produce not being a timber or tendu leave	
	Tendu Leaves	5%

9 Due Dates for Payment of Advance Tax

Due Date	% of Tax
15th June	Upto 15%
15th September	Upto 45%
15th December	Upto 75%
15th March	100%

10 Due Dates for Payment of TDS

Month	Due Date
April to February	7th day of the succeeding month
March	30th April

11 Due Dates for TDS Return Filing

Quarter	Due Date
Q1 (April to June)	31st July
Q2 (July to September)	31st October
Q3 (October to December)	31st January
Q4 (January to March)	31st May

12 Due Dates for Income Tax Return Filing

Category	Due Date
Individuals, HUF, BOI, AOP. (Taxpayers with no audit requirement.)	31st July
Company, Taxpayers whose accounts need to be Audited, Working partner (whose firm's books need to be Audited)	30th September
Assessees involved in transactions u/s 92E	30th November

13 Interest Rates under Income Tax Act

Sec	Description	Period	Rate (Per Month or part)
234A	Delay in submission of IT Return	From Due Date to Date of submission of return	1%
	Non - Submission of IT Returns	From Due Date to Date of completion of assessment	
234B	Failure to pay 90% of assessed tax as Advance Tax	From 1st April of A.Y. to Date of submission of return	
234C	Deferring Advance Tax	From Due Date to Due date of next instalmen	
201(1A)	Failure to deduct TDS	From required date for deduction to actual date of deduction	1%
	Failure to deposit TDS in time	From actual date of deduction to actual date of deposit	1.50%
206C(7)	Failure to collect TCS	From required date for collection to the actual date of collection	1%

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