

Main Points of Union Budget 2008

- 1 Personal income tax exemption hiked to Rs. 150000 from Rs. 110000
- 2 Senior citizens threshold tax limit increased from Rs. 1,95,000 to Rs. 2,25,000
- 3 Tax exemption for women increased to Rs 1.8 lakh
- 4 New tax slabs: 10 per cent for 1,50,000 to 3,00,000, 20 per cent for 3,00,000 to 5,00,000 and 30 per cent above 5,00,000
- 5 Excise on packaged softwares to be lower from 8% to 12%
- 6 No excise duty on refrigerating equipments, Reduced excise duty on two, three wheelers
- 7 Central sales tax cut from 3% to 2%
- 8 Levy on STT only on option premiums in case of Option trading.
- 9 Commodities Transaction Tax introduced like STT
- 10 STT would be allowed as business expenditure against business income. Rebate u/s 88E has been withdrawn.
- 11 Deferred Tax & provision will be added back for calculation of book profit for MAT.
- 12 Short term capital gains to be taxed at 15% under section 111A & 115AD from 10%
- 13 Money changers and people running gains of chance and tour operators to be brought under service tax net
- 14 Fresh facilities, encouragement to sports and maintenance guest houses exempted from Fringe Benefit Tax.
- 15 Value of FBT on expenditure incurred on Festival celebration has been reduced from 50% to 20% of the total expenditure.
- 16 Five year tax holiday for setting up hospitals in tier II and tier III regions for providing healthcare in rural areas from April 1, 2008.
- 17 Five year tax holiday for promoting cultural tourism.
- 18 Banking cash transaction tax withdrawn from April 01, 2009.
- 19 Direct tax proposals to be revenue neutral. Indirect tax proposals to result in loss of Rs 5,000 crore.
- 20 To protect tigers, Rs 50 crore for National Tiger Conservation Programme. Bulk of it to be used to raise Tiger Protection Force.
- 21 Plan expenditure fixed at Rs 2,43,000 crore and non plan expenditure at 5,74,000 crore.
- 22 General Cenvat on all goods to be reduced from 16 per cent to 14 per cent.
- 23 Excise duty reduced from 16 per cent to eight per cent on all pharmaceutical goods manufacture.
- 24 Excise duty on small cars reduced to 12 per cent from 16 per cent and hybrid cars to 14 per cent.
- 25 Excise duty reduced from 16 to 8 per cent on water purification items.
- 26 Duty on non filter cigarettes to be raised.
- 27 Asset management service under mutual funds, services by stock exchanges to be brought under Services Tax net.
- 28 Threshold for small service providers raised from Rs. 8 lakh to Rs. 10 lakh.
- 29 Allocation for defence to be increased by 10 per cent from Rs 96,000 crore to Rs 1,05,600 crore.
- 30 75 lakh people to be covered by health insurance scheme.
- 31 Micro, small and medium enterprises to continue to get special attention.
- 32 PAN requirement to be extended to all transactions in capital market subject to a threshold.
- 33 Sixth central pay commission to submit report by March 31, 2008.
- 34 Rs 624 crore allocated for Commonwealth Games
- 35 The loan waiver scheme will benefit three crore small and medium farmers and cover loans totalling Rs 50,000 crore.
- 36 One crore other farmers will benefit to the tune of Rs 10,000 crore in the waiver.
- 37 Foreign investment of 3.5 to 8 billion dollars expected for exploration and development of new oil blocks.
- 38 Rs 7,200 crore to be allocated to the Ministry of Women and Child Development, marking an increase of 24 per cent.
- 39 Rs 500 crore for corpus fund to subsidise all women Self Help Groups for LIC cover for permanent disability.
- 40 288 public sector bank branches to be opened in districts having minority community concentration.
- 41 Sarva Shiksha Abhiyan will be provided Rs 13,100 crore, Mid Day Meal scheme Rs 8,000 crore, Secondary education Scheme Rs 4,554 crore.
- 42 410 additional Kasturba Gandhi Vidyalaya to be set up in backward blocks.
- 43 Navodaya Vidyalayas to be opened in 20 districts with special focus on regions having SC/ST concentration.
- 44 Rs.750 crore more to be given for merit scholarship to students up to 10th and 12th class.
- 45 Mid day Meal scheme extended to upper primary level in 3479 schools. 16 central universities to be opened in 2008-09.
- 46 Three IITs to be set up in Andhra Pradesh, Bihar and Rajasthan.
- 47 Schools of architecture and planning in Bhopal and Vijaywada. More institutes of higher education to be opened.
- 48 Rs 100 crore to be given to Information Technology Ministry to set up national knowledge centres.
- 49 Allocation for NRHM increased to Rs 12,050 crore
- 50 Rs 992 crore for national AIDS programme.
- 51 A national programme for the elderly to be started at a cost of Rs. 400 crore.
- 52 Rashtra Swasthya Beema Yojana to start from April 1 in Delhi and Haryana. Rs 30,000 for each family belonging to unorganised sector.
- 53 Rs 85 crore sanctioned for scholarships to students pursuing science education.
- 54 Agriculture credit doubled in the first two years of the government to reach Rs.2.40 lakh crore by March 2008.
- 55 Eleventh Plan started on a robust growth.
- 56 Gross budgetary support to be raised to Rs 2,43,386 crore, an increase of more than Rs 38,000 crore from the current level.
- 57 Allocation for Bharat Nirman to be raised to Rs 31,280 crore.

- 58 Twenty per cent hike in education budget this year from Rs 28,674 crore to Rs 34,400 crore.
- 59 GDP growth slows down to 8.4 per cent during quarter ended December 31, 2007 as compared to 9.1 per cent a year ago.
- 60 Economy grew over eight per cent over 12 successive quarters since 2005, says Finance Minister P Chidambaram.
- 61 Growth rate of agriculture estimated at 2.6 per cent during the current year.
- 62 Services and manufacturing sectors expected to grow by 10.7 per cent and 9.4 per cent, says Chidambaram.
- 63 Rice production estimated at 94.08 million tonnes, maize 16.78 mt, soyabean 9.45 mt and cotton 23.38 million bales.
- 64 Additional deduction of Rs. 15000(Rs. 20,000 in case of senior citizenparents) to an individual under section 80D on mediclaim insurance premium of parents.
- 65 Due date for submitting ROI/ Return of Fringe Benefits changed from 31st October to 30th September.