Maximum Marginal Rate (MMR) of Income Tax

Maximum Marginal Rate (MMR) of Income Tax is rate of income tax including surcharge on income tax applicable to highest slab of income in case of Individual, AOP and BOI.

Maximum Marginal Rate (MMR)of Income Tax is at the rate of 42.744% (30% Tax +37% Surcharge + 4% Health and Education Cess) for AY 2021-22 except in case of Tax on Accreted Income of Trust or Institution registered u/s 12AA i.e. 34.944% (30% Tax +12% Surcharge + 4% (Health and Education Cess)

Cases where Maximum Marginal Rate of Income Tax is Applicable

- Tax on Accreted Income of Trust or Institutions registered u/s 12AA
- Tax on PGBP Income of Investment Fund registered as other than Company or Firm.

- Tax on All Income of Business Trust except Interest and Dividend Income from SPV, Rental Income of Real Estate Investment Trust, LTCG u/s 112 and STCG u/s 111A.
- Tax on Income of AOP/BOI where shares of members are not known and incase of shares member are known but income of one or more member exceeds basic exemption limit.