Budget Highlights 2018

BUDGET 2018 HIGHLIGHTS

- PO SB, Bank SB\FD Interest Income Exempt Up To ₹ 50,000 For Senior Citizens, No TDS on this Income;
- Standard Deduction Of ₹40,000 For Salaried Taxpayers Introduced; Deduction for Transport Allowance ₹19,200 & Medical Reimbursements ₹15000 Taken Away;
- Corporate Tax Reduced To 25% for Companies with Turnover up to ₹250 Crores; Partnership Firms\LLPs would Continue Paying 30% Tax;
- Mediclaim\Medical Expenditure Deduction Up To ₹50,000 For Senior Citizens, u\s 80D;
- Medical Expenditure Deduction u/s 80DDB Increased To ₹1 Lakh for Senior Citizens;
- Limit for Investment In Interest-Bearing LIC Schemes Doubled To ₹15 Lakhs for Senior Citizens; Pradhan Mantri Vaya Vandana Yojana (PMVVY) extended up to March, 2020;
- New Scheme Of Electronic Assessment To Avoid Person-To-Person Contact;
- 10% Tax On Long-Term Capital Gains In Excess Of ₹1 Lakh On Shares \ Mutual Fund Units. Capital Gain Over And above the Jan. 31 Prices alone would be Taxed; [**Tax Planning**: If The Prices Go Up, Sell Before March 31, 2018 To Avoid The 10% Tax. After That, Systematically Book LTCG Up To ₹1 Lakh Every Year]
- Health & Education Cess Increased To 4% For All Assessees; No Change In Tax Rates For Individuals & Firms; [**Tax Planning**: Take The Maximum Advantage Of *Deductions And Exemptions* to Minimize the Tax Liability. Broad-base the Income With In A Family To Minimize the Tax Incidence]
- Equity-Oriented Mutual Funds To Pay 10% Dividend Distribution Tax; [**Tax Planning**: Go For Systematic Withdrawal Plans (SWP) Rather Than the Dividend Plans]
- Capital Gain Tax Exemption u/s 54EC Restricted To Land & Building, Lock In Period Increased To 5 Years;
- PAN Mandatory For Any Entity Entering Into Financial Transactions Of ₹2.5 Lakhs or More;
- Companies Not Filing their Returns can be Prosecuted Whether Or Not They Have Any Income;
- Imported Cell Phones, TVs, Edible Oil, Watches etc. To Cost More.

For Further Guidance

Please feel free to get in touch with us for any further guidance in the matter.

Prakash Dugar & Co., CAs

Vasanth Apts., D Block, 1st Flr,
Flat No. F-1, Kennedy Nagar Main St.,
Vyasarpadi, Chennai – 600039.
Email: pcdugar@gmail.com. LL: 04426732424.