Veerus Academy

Mobile:8698740481

Budget 2022 Highlights

(For CA, CS and CWA professionals)

The total budget for FY 22-23 is ₹39,44,908 crores.

Direct Tax:

1. Corporate surcharge has been reduced from 12% to 7%.(Earlier there is surcharge of 12% on domestic companies if net income is more than 10 crores. Surcharge of 7% in other cases. Now onwards, for all domestic companies surcharge will be 7% irrespective of its net income.)

2. Govt propose to cap the surcharge on long term capital gains arising on transfer of **any type of assets** at 15 per cent. (Govt capped max surcharge @15%. This will help to reduce tax for higher income groups and startups)

3. For any omissions or corrections, Tax payer can update past return which was filed within 2 years from end of the relevant assessment year on payment of additional tax.(This step taken to reduce lengthy assessment procedures on assessee even to correct his/her mistake/omission in return.)

4. Income from transfer of digital assets such as crypto will be taxed @30%. Only cost of acquisition will be allowed as deduction. Further loss on sale of digital assets cannot be set off against any other income.
   Note: Gifting of digital assets will also be taxable in the hands of the receiver.
   Ex:

Sales proceeds through sale of Crypto	XXXX
Less: Cost of acquisition	XXX
Net proceeds	**XXXX**
Tax @30% on net proceeds	**XXX**

5. Further, in order to capture the transaction details, Govt propose to introduce a new provision to deduct TDS on payment made in relation to transfer of virtual digital asset at the rate of 1 per cent of such consideration above a monetary threshold. (Threshold needs to be notified)

6. Brought forward loss cannot be set off against undisclosed income detected during any survey or search.

Indirect Tax:

1. There are few changes in customs duty related to import of capital goods, Impose of customs duty on imitation Jewellery, reduction of duty on cut and polished diamonds etc. Due to this, few imported goods will be costly and few will be cheaper. Not considering these changes as a separate point as these changes will have a lesser impact on our profession.

2. There is a record collection of Rs 1,40,986 crore gross GST revenues in January 2022, the highest since the inception of GST.

Others:

1. **IBC Code:** Necessary amendments in the Code will be carried out to enhance the efficacy of the resolution process and facilitate cross border insolvency resolution. (Where Creditors or assets of corporate debtor in more than one country)

2. RBI to introduce the digital rupee using blockchain technology starting 2022-23. (Digital currency which can be traded like Crypto)

3. All villages should have the same access to digital resources as like urban areas.(Optical fiber)

4. The issuance of e-Passports using embedded chip and futuristic technology will be rolled out in 2022-23 to enhance convenience for the citizens in their overseas travel.