

## Budget Highlights 2017

### Income Tax

- Slab rate of income tax between ₹ 2.5 Lakhs and ₹ 5 Lakhs is reduced from 10% to 5%.
- Rebate u/s 87A is reduced to ₹ 2,500/- and is available to a resident individual whose total income upto ₹ 3.5 Lakhs.
- Quoting of Aadhaar is made mandatory for allotment of permanent account number and for filing of return of income.
- Cash payment exceeding 10000 in a day to a single person shall be disallowed u/s 40A(3)
- Sec 269 ST is inserted –No person shall receive an amount of ₹ 2 Lakh or more
  - a) in aggregate from a person in a day
  - b) in respect of a single transaction or
  - c) in respect of transaction relating to one event or occasion from a person otherwise than by an account payee cheques or account payee bank draft or use of electronic clearing system through a bank account.
- The time period for revising a tax return is reduced to 12 months from the completion of financial year, at par with the period for filing of return.
- Domestic company whose total turnover/gross receipts in the previous year 2015-16 does not exceed ₹ 50 Cr shall be taxed @ 25%.
- Income between ₹ 50 Lakhs and ₹ 1 Cr shall be subject to surcharge of 10% in the case of Individual/HUF/AOP/BOI/Artificial judicial person. However for taxpayers having income above ₹ 1 Cr, the current surcharge @15% shall continue.
- In the case of presumptive tax scheme of section 44AD, business income shall be calculated @6% where the amount of turnover is received by an account payee cheque/draft or electronic clearing system on or before the due date of submission of return.
- Restricting cash donations – Donation given by cash u/s 80G in excess of ₹ 2,000/- shall not be eligible for deduction.
- Donation cannot be made to political parties in cash above ₹ 2,000/-.
- The holding period for immovable property to compute long term capital assets is reduced to 24 months from 36 months.
- Threshold limit for maintenance of books for individual and HUF is increased from Turnover of ₹ 10 Lakhs to ₹ 25 Lakhs and income from ₹ 1.2 Lakhs to ₹ 2.5 Lakhs.
- The base year for calculation of capital gain is shifted from 1<sup>st</sup> April 1981 to 1<sup>st</sup> April 2001.
- Individual/HUF whose accounts are not covered by section 44AB are required to deduct tax at source if payment of Rent to a Resident exceeds ₹ 50,000/- per month.
- For companies, carry forward of MAT Credit is allowed upto a period of 15 Years.
- For Banks, allowable provision for NPAs increased from 7.5% to 8.5%.
- The threshold limit for audit of business entities who opt for presumptive income scheme increased from ₹ 1Cr to ₹ 2Cr.
- For professionals with receipt upto ₹ 50 Lakhs p.a., Advance Tax is to be paid in 1 installment rather than 4 installments.
- Fee for delayed filing of return – a fee of ₹ 5,000/- shall be payable if the return is furnished after due date but on before the 31<sup>st</sup> December of the Assessment Year. In any other case fee of ₹ **10,000/- shall be payable. Where the total income does not exceed ₹ 5 Lakh, fee amount shall not exceed ₹ 1,000/-.**