



Key highlights of the Interim Budget proposals announced by stand in Finance Minister Piyush Goyal on Friday i.e. 1st February, 2019 are :

Direct Tax:

1. Tax Rates:
 - a) Corporate Tax Rate:
 - * No change is proposed in corporate tax rates;
 - b) Individual Tax Rate:
 - * Full income tax rebate for individuals having total income upto Rs. 5 lacs;
 - * No change is proposed in the income tax rates and slabs for Individual tax payers;
2. Standard deduction for salaried class tax payers to be increased from existing Rs. 40,000 to Rs. 50,000;
3. No income tax to be levied on notional rent on 2 self - occupied properties (SOP). Earlier tax relief was allowed only for 1 SOP;
4. Tax deduction at source (TDS) threshold limit on interest income from Post Office/Bank to be increased from existing Rs. 10,000/year to Rs. 40,000/year;
5. TDS threshold limit of rent on immovable property to be increased from existing Rs. 180k to Rs. 240k;
6. No tax to be levied on notional rent on inventory of unsold properties for 2 years (applicable to Real Estate Developers);
7. Proposed exemption from capital gains on sale of house property can be availed on investment in two residential properties. The existing exemption was on investment of only one house property. This exemption can be taken once in a lifetime. The capital gain should be upto Rs. 2cr;
8. Deduction of 100% profits and gains from business of developing and building affordable housing projects to be extended by 1 year;
9. Tax assessment to be conducted online and to be jurisdiction free;
10. Income tax returns to be processed within 24 hours.

Indirect Tax:

1. Exemption from GST for small businesses to be doubled from Rs. 20 lacs to Rs. 40 lacs;
2. Small businesses having turnover of up to Rs. 1.5 crores to be offered an attractive composition scheme wherein only 1% flat GST rate to be levied and only one annual return to be filed;
3. Small service providers with turnover upto Rs. 50 lacs can opt for composition scheme and pay GST at 6% instead of 18%;
4. Businesses with less than Rs 5 crore annual turnover to file quarterly returns;
5. Minimum 14% revenue of GST to be provided to State Government by Central Government;

Miscellaneous:

1. Rs. 6,000/annum to be given to every farmer having upto 2 hectare land;
2. Levy and administration of stamp duty on securities market instruments by the States to be at one place through one agency, viz., through Stock Exchanges or its Clearing Corporation or Depositories;
3. Time limit of attachment on property under the Prevention of Money-laundering Act, 2002 to be extended from existing 90 days to 365 days;
4. Workers earning upto Rs. 21,000/month to be eligible for bonus;
5. More than Rs. 3 Lac Crores to be allocated for defense forces;
6. One lac digital villages in the next 5 years;
7. Proposed single window of approval for Indian film makers. Easier approvals for film shooting was available only to foreign film makers;

Regards,

KDP

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Disclaimer:

- The above highlights are proposals and are subject to approval by the parliament.
- The above note is based on the budget speech and is subject to further study and clarifications.
- This note does not form any kind of opinion from our end and before taking any action based on above it is recommended to take consultation from our experts in the subject.
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