

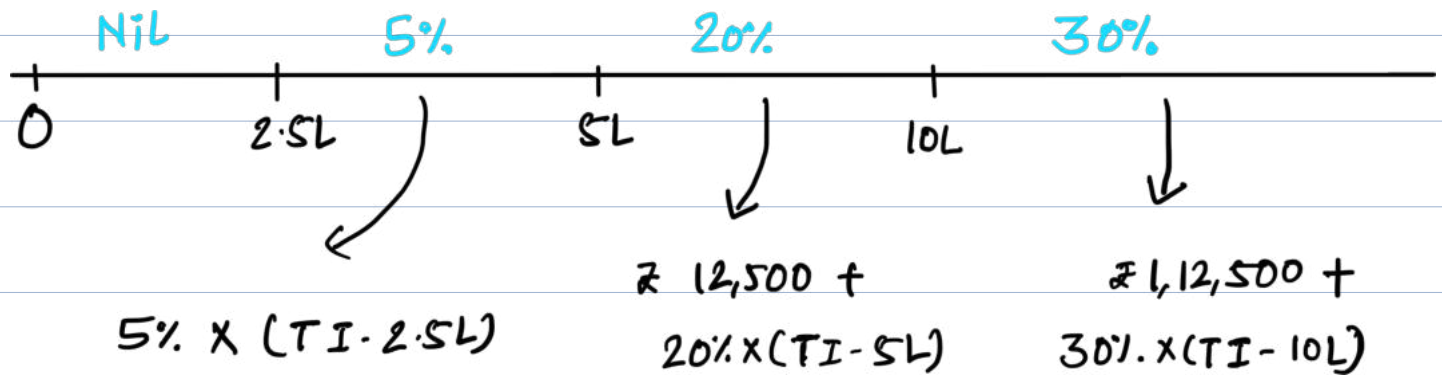
RATES OF TAX

SMART NOTES

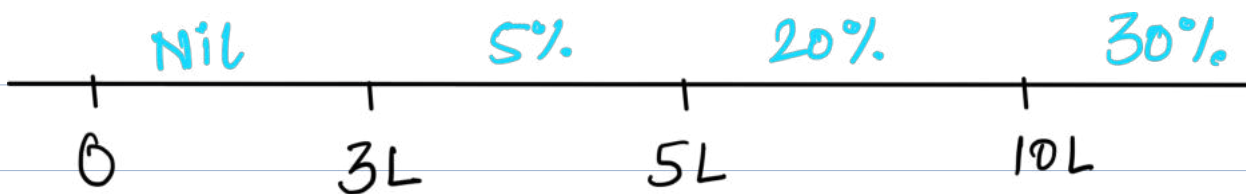
- BY CA YASH KHANDELWAL

SLAB RATES:

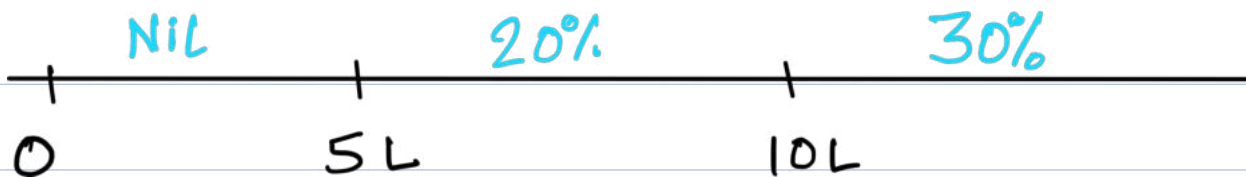
(1) Individual / HUF / AOP / BOI / AJP



(2) Senior Citizen (60-80 yrs)



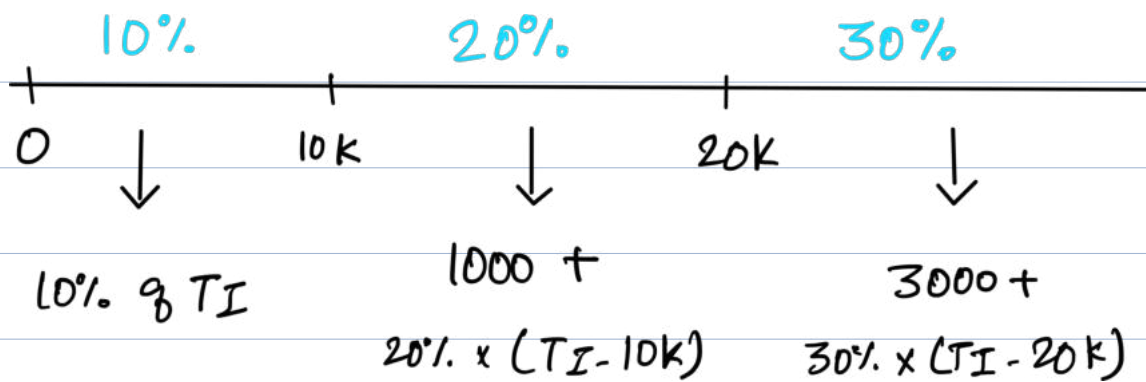
(3) Super Senior Citizen (80 yrs or more)



(4) FIRM / LLP / LOCAL AUTHORITY

ON THE WHOLE OF TOTAL INCOME - 30%

(5) CO-OPERATIVE SOCIETY.



(6) COMPANY - DOMESTIC

(i) If TOTAL TI or Gross Receipt - 25%
in P.Y. 2018-19 \leq ₹ 400 cr

(ii) In any other Case - 30%

(7) COMPANY - FOREIGN - 40%

SURCHARGE:-

(1) Individual / HUF / AOP / BOI / AJP

→ WHEN TOTAL INCOME (TI) DOES NOT INCLUDE INCOME U/S
111A, 112A & DIVIDEND

(1)	$50L < TI \leq 1cr$	- 10%
(2)	$1cr < TI \leq 2cr$	- 15%
(3)	$2cr < TI \leq 5cr$	- 25%
(4)	$TI > 5cr.$	- 37%

→ WHEN TOTAL INCOME (TI) INCLUDES INCOME U/S
111A, 112A & DIVIDEND

(1)	$50L < TI \leq 1cr$	- 10%
(2)	$1cr < TI \leq 2cr$	- 15%

If $TI > 2cr.$

→ On Tax computed on Income computed - 15%
U/S 111A, 112A & Dividend.

→ On other Income if - 25%
 $2cr < (\text{Total Income} - 111A, 112A \& \text{Dividend}) \leq 5cr$

If $TI > 5\text{Cr}$

→ On Tax computed on Income Computed - 15%
v/s 111A, 112A & Dividend.

→ On Other Income if - 37%
(Total Income - 111A, 112A & Dividend) $> 5\text{Cr}$

(2) FIRM/LLP/LOCAL AUTHORITY/CO-OP SOCIETY

→ When the TOTAL INCOME exceeds ₹ 1Cr. → 12%

(3) COMPANY

TOTAL INCOME	Foreign Co.	Domestic Co.*
$1\text{Cr} < TI \leq 10\text{Cr}$	2%	7%
$TI > 10\text{Cr}$	5%	12%

* If Exercised option v/s 115 BAA or 115 BAB → 10%

SPECIAL RATES OF TAX

① Sec 112

LTCG (Other than sec 112A) - 20%

② Sec 112A

LTCG > ₹ 1 lakh - 10%

↳ on transfer of

- Eq. shares in a Company
- units of an eq. oriented fund
- units of business trust

③ Sec 111A

STCG

↳ on transfer of

- Eq. shares in a Company - 15%
- unit of an eq. oriented fund
- units of business trust

④ Sec 115 BB - 30%

Tax on Winnings → Lotteries, Card game, Horse race etc

⑤ Sec. 115 BBE

- Unexplained money, investment, exp etc.
(Sec 68 - 69D)

- 60%

+ Surcharge 25%

+ Cen 4%

Effective Rate 78%

⑥ Sec 115 BBF :

10%

Royalty Income from Patent.
developed & regd in India

↓

75% expenditure in India.

No expense allowed.

⑦ Sec 115 BBG

10%

Income from Transfer of Carbon Credits

⑧ Rebate vis 87A

When Total Income does not exceed ₹ 500,000 → ₹ 12,500

or tax
w.e. lower

⑨ Health & Education Cess:

→ 4%

SEC 115BAC → New Tax Regime

APPLICABLE TO - Individual / HUF (R, NR - Both)

NORMAL SLAB RATES

0	-	2,50,000	-	Nil
2,50,000	-	5,00,000	-	5%
5,00,000	-	10,00,000	-	20%
Above		10,00,000	-	30%

SLAB RATES VIS 115BAC

0	-	2,50,000	-	Nil
2,50,000	-	5,00,000	-	5%
5,00,000	-	7,50,000	-	10%
7,50,000	-	10,00,000	-	15%
10,00,000	-	12,50,000	-	20%
12,50,000	-	15,00,000	-	25%
Above		15,00,000	-	30%

Note: For Individual above 60/80 yrs of age, same slab rate shall be applicable.

↳ Benefit of 3L/5L → Not available.

CONDITIONS:

BENEFITS / EXEMPTIONS / DEDUCTIONS
NOT AVAILABLE U/S 115 BAC

SMARRY HEAD

Sec 10(15) → LTC

Sec 10(13A) → HRA

Sec 10(17) → Allowance to MP/MHA

Sec 10(32) → Parents
↓
Minor Income
150000

Sec 16 → Prof. Tax
→ Std. dedⁿ
→ Entertainment Allowance

Sec 10(14) → Allowances

Exceptions:

Transport Allowance

Conveyance Allowance

Fraud on Tour Allowance

Daily Allowance.

HOUSE PROPERTY

Sec 24 → (Interest → SOP)
(30,000 / 270,000)

LOP/DLOP Interest allowed

HP losses (LOP/DLOP)
↳ set off against other head not allowed.

PGBP

→ Additional Depreciation - Sec 32(i)(ii)

→ Sec 32AD - Investment allowance

→ Sec 35AB, 35AB4 - Tea, Coffee, Rubber

→ Scientific Research: - Donation to

35C(1)(ii) → Institute, Research Assocⁿ, College, University, & Scientific Research.

35C(1)(iii) → Social / Statistical

35C(iii) → Indian Co. eng. in R&D

35(2AA) → IIT / National Laboratory.

→ Sec 10AA → SEZ

→ Sec 35AD → Specified Business.

→ Sec 35CC → Agri Extension Project

OTHERS

→ Sec 57 → Family Pension

→ Army deduction u/c VI-A

↳ except (i), 80TTAA

(ii) 80CC(2)

Particulars	Sec 115 BA	Sec 115 BAA	Sec 115 BAB
① Applicable to	Domestic Mfg. Companies (Other than Sec 115 BAA & 115 BAB)	Domestic Companies	New Domestic Mfg. Companies
② Set up date	On or after 01-03-2016	Kabhi Bhi	On or after 01-10-2019
③ Tax Rate	25%	22%	15%
④ Surcharge	Income 1cr-10cr → 7% >10cr → 12%	10%	10%
⑤ Effective Tax Rate	No Surcharge - 26% 7% → 27.82% 12% → 29.12%	25.168%	17.16%

<p>⑥ Exempt from MAT</p>	<p>No.</p>	<p>YES</p>	<p>YES</p>
<p>⑦ Tax Rates for Special Income (111A, 112A, 112 etc.)</p>	<p>Such Special Rate + surcharge if appl. + ces</p>	<p>Special Rate + 10% surcharge + 4% ces</p>	<p>Special Rate + 10% surcharge + 4% ces.</p>
<p>⑧ Tax Rates for House property & IPoS Income</p>	<p>25% + surcharge if applicable + 4% ces.</p>	<p>25.168% (22% + 10% + 4%)</p>	<p>25.168% (22% + 10% + 4%)</p>
<p>⑨ When option under this section can be exercised?</p>	<p>On or before due date of 139CU for first ROI.</p>	<p>On or before due date of 139CU for relevant PY.</p>	<p>On or before due date of 139CU for first ROI.</p>
<p>⑩ Company cannot claim dedⁿ under chapter VI-A except.</p>	<p>80 JJAA</p>	<p>80 JJAA 80 LA 80 M</p>	<p>80 JJAA 80 M.</p>

COMMON DEDUCTIONS UNDER ABOVE 3 SECTIONS WHICH COMPANY CAN NOT CLAIM.

→ Sec 10AA → SEZ

→ Additional Depreciation - Sec 32(i)(iiia)

→ Sec 32AD - Investment allowance

→ Sec 33AB, 33ABA - Tea Coffee Rubber

→ Scientific Research:- Donation to

35C(1)(ii) → Institute, Research Assocⁿ,
College, University } Scientific
Research.

35C(1)(iiia) → Social / Statistical

35C(iii) → Indian Co. eng. in R&D

35(2AA) → IIT / National laboratory.

In sub sections se
past me jo loss hua
hai, wo ab
Carry forward
nahi kar
sakte.

→ 35(2AB) → Company engaged in Bio tech or Mfg. Business

→ Sec 35AD → Specified Business.

→ Sec 35CC → Agri Extension Project

→ Sec 35CCD → Skill Development project.

Inhouse
Research

→ No Deduction Under Chapter VI-A except → check point 10.

Tax Rates U/S 115BAB

Income from Manufacturing	-	15%
Income from Non-manufacturing Activity	-	22%
STCG on Depreciable Assets	-	15%
STCG on Non-depreciable Assets	-	22%
Special Tax Rates	-	Special Rates

SOME NOTES FOR SEC 115BAB

- Co. should be set up on or after 1st Oct 2019
- Co. should have commenced manufacturing on or before 31/03/2023
- shall not be formed by splitting up or reconstruction of existing business
- Company shall use New Plant & Machinery.

20% Purana
Chalega

Imported new
maane jayega.

- Company shall not use Building which was previously used as Hotel or a Convention Centre.

See 115BAD: Tax on Income of Co-op Societies

- Tax @ 22% + Surcharge 10% + cen 4%

Effective Rate → 25.168%

- Assessee should not claim certain deductions:
↳ as given above.
- Any deduction under Chapter VI-A not available except Sec 80J(A) & sec 80CA.

Always Applicable

- Tax on Special Rates of Income → Special Rates + [↑] Surcharge 10% + 4% cen.
(112A, 112, 111A)

- AMT not applicable, Hence AMT Credit will lapse.
- Assessee can exercise this option on or before due date of ROI u/s 139C1)

NOTES:-

→ 115BAA, 115BAB, 115BAD

- Unabsorbed Depreciation me se jo Additional depreciation wala part hai, vo set off nahi ho

Sakta

↳ Ye jo hui Unabsorbed Additional depreciation rahega, it will be added to WDV of

1st April of F.Y. in which option is exercised

- If assessee opts any of the above section 115BA, 115BAA, 115BAB, 115BAE, 115BAD then maximum Depreciation allowed will be @ 40%

Taxation in the Case of Buy Back:

IN CASE OF FOREIGN COMPANY		IN CASE OF DOMESTIC CO. (LISTED or UNLISTED)							
In hands of Company	In hands of Shareholders	In hands of Company	In hands of Shareholders						
No Tax Treatment	Sec 46A: Capital Gain is applicable in hands of Shareholders	Domestic Co. shall pay tax @ 23.296% (20% + 12% + 4%) on distributed Income (Sec 115-QA)	Exempt U/s 10(34A)						
	<table border="0"> <tr> <td>FVOC (Buy Back Price)</td> <td>xxx</td> </tr> <tr> <td>(-) COA / ICDA</td> <td>xxx</td> </tr> <tr> <td>STCG/LTCG</td> <td>xxx</td> </tr> </table>	FVOC (Buy Back Price)	xxx	(-) COA / ICDA	xxx	STCG/LTCG	xxx		
FVOC (Buy Back Price)	xxx								
(-) COA / ICDA	xxx								
STCG/LTCG	xxx								
POH = Date of Acq se Date of Buy Back		Distributed Income = Buyback Price - Issue Price (incl. premium)							

Taxation of DIVIDEND

→ From AY- 21-22, DDT is abolished

Now Dividend & Deemed Dividend is taxable in the hands of Shareholders at Normal Tax Rates.

→ Sec 115BBD →

Indian Co.

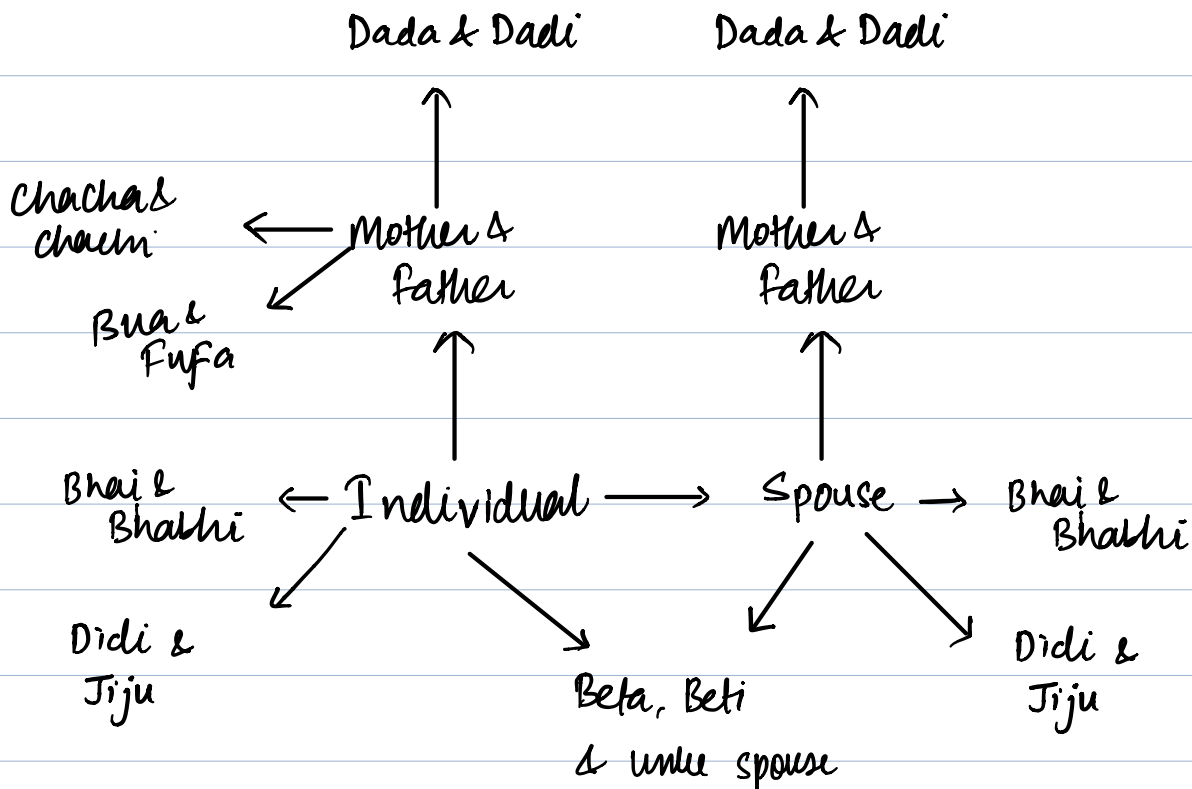
26% or more eq. sh Capital

Foreign Co.

Dividend

Tax Rate → 15% in hands of Indian Co. + Surcharge if appl. + cess

Relative U13 S6(2) (x)



Taxation of Trust

Sec 115BBC: Tax on Anonymous Donations received by Trust
30% se taxable hota hai.

Pura Anonymous donation tax nahi hota @ 30%.

Usme se kuch minus hota hai. kya?

Higher of :-

- (i) 5% of TOTAL DONATION
- (ii) ₹ 1,00,000

Sec 115TD: Tax on Accreted Income of Trust → Payable at MMR

34.944% (30% + 12% + 4%)

TAXATION OF AOP/BOI

(1) When share of Members are KNOWN:-

Part A

All members
having NTI
upto Basic Exemption

Tax at Slab Rate

Part B

One or more members
have NTI > basic exemption

Tax on Entire Income
@ MMR i.e. 42.744%
(30+37+4)

Agar kisi member ki Income MMR se jyada Rate pe
Tax hoti hai, To

Us member ki jitni Income hai
uspe **Jyada Rate** se Tax lag Jayega.

Bachi hui AOP/BOI ki
Income pe **MMR** se
Tax lag jayega.

(2) When share of Members are UNKNOWN:-

Tax Entire income @ MMR i.e. 42.744%

Agar Is case me kisi member ki Income MMR se jyada
rate se Tax hoti hai, to AOP/BOI ki puri Income pe
Jyada Rate se Tax lag jayega.

Note: Member ka NTI calculate karke time, AOP/BOI ka share
include nahi karenge

Sec 234 A/B/C :-

Sec 234 A: RETURN FILING ME DELAY KARNE KA INTEREST

Tax as per ROI payable
↓

x 1% per month or part.

x Jis din ROI file karne chahiye tha (Due date) se jis din actually return file kiya.

After Adj g.

→ TDS / TCS / Adv tax / MAT Credit

Sec 234 B: ADVANCE TAX NAHI BHARA YA KAM BHARA

Advance Tax
Short paid as per ROI
↓

Matlab jo bharna chahiye tha aur nahi bhara.

x 1% per month or part

x A.Y. ke 1st April se jis din actually pay kiya.

Sec 234 C: ADVANCE TAX INSTALLMENTS ME DERI (DEFERMENT)

Deferred Amount

x 1% per month or part

x 3 installments ke liye
3 months aur last

installment ke liye 1 month.

MAT & AMT :-

MAT :- Sec 115JB

- (i) Tax as per Normal provisions of Income Tax
- (ii) 15% of Book Profit
w.e. higher.

PPSC + 9% instead of 15%

AMT :- Sec 115JC

- (i) Income Tax payable as per Normal provisions of Income Tax
- (ii) 18.5% of Adjusted Total Income
w.e. higher

Tax Rates for Investment Fund (PQBP)

- Company / Firm → 30%
- Others → MMR

TONNAGE TAXATION:

Sec 115UG: COMPUTATION OF TONNAGE INCOME

$$\text{Income} = \frac{\text{Daily Tonnage Income}}{\text{Income}} \times \text{No. of days ship is operated in P.Y.}$$

↓
Kaise calculate
karenge?

QUALIFYING SHIP

HAVING NET TONNAGE

DAILY TONNAGE

INCOME

Tonnage \leq 1000

₹ 70 for each 100 tons

> 1000 upto 10,000

₹ 700 + ₹ 53 for each 100 tons

> 10,000 upto 25,000

₹ 5470 + ₹ 42 for each 100 tons

> 25,000

₹ 11,770 + ₹ 29 for each 100 tons

Notes:-

→ Tonnage shall be rounded off to nearest multiple of 100

→ Tax Rate will be @ 30% + surcharge + cen (if applicable)

→ MAT not applicable

SFT or REPORTABLE ACCOUNTS

Due Date for filing SFT :- 31st May of the year immediately following the F.Y. in which the transaction is recorded.

sec 271FA - PENALTY FOR NON-FILING OF SFT

→ On failure to furnish SFT or Reportable Accounts

→ Penalty is ₹ 500 per day till the period of Notice



On failure to pay the same till expiry of notice,

→ penalty would be ₹ 1000 per day after expiry of notice.

ALL THE BEST!

When in Doubt, Just Say

SAB KAR LUNGA MAIN!

- CA Yash Khandelwal