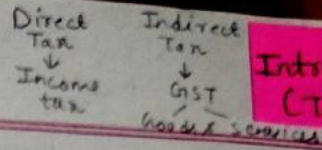


INTRODUCTION

Lec 3 (08 Jan)



Introduction
(Tax)

* What do you mean by tax?

- Tax is a mandatory financial charge which is paid by a person to the govt. of India.
- The word 'Tax' is defined derived from the Latin word Taxo / Tana, which means 'To charge'.

* Constitutional Powers to levy Tax.

- **Article 265**: No tax can be levied or collected ^(imposed / collected) saved by the authority of Law. अभिलेख

Further Power to enact laws is given to Parliament & State legislature through schedule VII.

Schedule VII

List 1 Union	List 2 State	List 3 Concurrent
1 } 2 } serial no. 3 } known as } 'Entry no.' (Parliament) 82. Tax on income other than agricultural income.	 (state) 46 Tax on Agricultural income.	

- (Agriculture Pari tax nhi lgta → In India)

Lec 4 9 Jan

* Total Income / Taxable Income

Salary (Job income)	5l
+ House property (Rent income)	4l
+ PGBP (Profits & Gains from Business & profession)	3l
+ Capital Gains (Capital Asset sell)	2l
+ Income from other (IOS) Sources	1l

(GTI) Gross total income 15 lakh

(-) Deductions (Expenses) () ←
Life Ins 1 lakh
Health Ins 50,000
MF 1 lak
FD

Total income 12.5l ⇒ Tax pay yearly

Slab Rate

0 to 3 lakh	Nil
> 3 lakh - 7 lakh	5%
> 7 lakh - 10 lakh	10%
> 10 lakh - 12 lakh	15%
> 12 lakh - 15 lakh	20%
> 15 lakh	30%

Normal scheme /
old Regime
↓
Finance Act

New Regime / Default
Regime
↓
Section 115BAC

Q1 Anu priya is earning ₹20,000 p.m. Find tax liability of her. For the year 24-25.

₹20,000 p.m. × 12 Months = 2,40,000
 upto 3,00,000 tax is **Nil.**

Q2 Bhaskar Gupta is earning ₹30,000 p.m. Find his tax liability.

₹30,000 × 12 Months = 3,60,000 p.a.

upto 3,00,000 tax @ Nil

Remaining 60,000 × tax @ 5% = **3,000**

360000 × 5%
 ↳ this is flat Rate Calculation

(Slab Rate Calculation)

Q3 Total income = 5,70,000

upto 3,00,000 tax @ Nil

Remaining 2,70,000 @ 5% = **13,500**

Q4 Monthly income is ₹74,313. Find tax liability.

10%	10 lakh	19,175.6	₹74,313 × 12 Months = ₹8,91,756
5%	7 lakh	4 lakh	⇒ 4,00,000 × tax @ 5% = 20,000
	3 lakh	Nil	⇒ 19,175.6 × tax @ 10% = 19,175.6
	0		

Add both = 20,000 + 19,175.6 ⇒ **39,175.6**

Q5 Monthly income is ₹91,746. Find tax liability.

15%	12 lakh	1,00,952	₹91,746 × 12 Month = ₹11,00,952
10%	10 lakh	3 lakh	⇒ 4,00,000 × tax @ 5% = 20,000
	7 lakh	4 lakh	⇒ 3,00,000 × tax @ 10% = 30,000
5%	3 lakh	Nil	⇒ 1,00,952 × tax @ 15% = 15,142.8
	0		

tax liability ⇒ **65,142.8**

Lec 5 10 Jan

Q6 Total income = 7,70,000 $20,000 + 7,000 = 27,000$
 upto 3l @ Nil
 On next 4l @ 5% = 20,000
 On next 70,000 @ 10% = 7,000
 $20,000 + 7,000 = 27,000$

Q7 Total income = 13,00,000

20%	15 lakh	13 lakh	$12 \times 20\% = 24,000$	} 1 lakh.	upto 3l @ Nil
	12 lakh		$2 \times 15\% = 30,000$		On next 4l @ 5% = 20,000
15%	10 lakh		$3 \text{ lakh} \times 10\% = 30,000$		On next 3l @ 10% = 30,000
10%	7 lakh		$4 \text{ lakh} \times 5\% = 20,000$		On next 2l @ 15% = 30,000
5%	3 lakh		Nil		On next 1l @ 20% = 20,000
	0				Total = 1,00,000

Q8

Particulars	A	B	C
Monthly income	174372 rs.	116142 rs.	83956 rs.

A's tax liability :-

$174,372 \times 12 \text{ Months} = 2,092,464$

30%	>15 lakh	$3 \text{ lakh} \times 20\% \rightarrow 60,000$	} upto 3 lakh = Nil	On next 4l @ 5% = 20,000
	15 lakh	$2 \text{ lakh} \times 15\% \rightarrow 30,000$		On next 3l @ 10% = 30,000
20%	12 lakh	$3 \text{ lakh} \times 10\% \rightarrow 30,000$		On next 2l @ 15% = 30,000
15%	10 lakh	$4 \text{ lakh} \times 5\% \rightarrow 20,000$		On next 3l @ 20% = 60,000
10%	7 lakh	Nil		On next 592,464 @ 30% = 1,77,739.2
5%	3 lakh			<u><u>3,17,739.2</u></u>
	0			

B's tax liability :- $116142 \times 12 = 13,93704$

→ Calculation of tax liability for PY 24-25 for Mr. B.

Particulars	₹
upto 3l - Nil	0
On next 4l @ 5%	20
On next 3l @ 10%	30
On next 2l @ 15%	30
On Balance 193704 @ 20%	38740.8
Tax liability	<u>118740.8</u>

C's tax liability :- $83956 \times 12 = 1,007,472$

→ Calculation of tax liability for PY 24-25 for Mr. C.

Particulars	₹
upto 3l - Nil	0
On next 4l @ 5%	20,000
On next 3l @ 10%	30,000
On Bal. 7472 @ 15%	1120.8
Tax liability	<u>51120.80</u>

* Concept of Rounding off

Last digit before decimal

≥ 5 = to next multiple of 10
(greater than or equal to 5) [like 68 का 70, 65 का 70, 69 का 70.]

< 5 = to previous multiple of 10
(less than 5) [like 64 का 60, 63 का 60, 60 का no need to round off]

Examples :-

43768 \longrightarrow 43370
43761 \longrightarrow 43760
84674.99 \longrightarrow 84670
81689 \longrightarrow 81690
74365 \longrightarrow 74370
843797 \longrightarrow 843800
1347996.13 \longrightarrow 13480000

Round off

Total income

Sec 288A

Tax liability
(after cess)

288B

Health & Education less @ 4%

~~step~~ Total income \longrightarrow Round off

Tax
+ 4%
XX \longrightarrow Round off.

Q Total income 843218

Round off \rightarrow 843220

Tax liability \rightarrow 20,000 + 14322 = 34322 rs.
(4L x 5%) (143220 x 10%)

Add 4% H.E.C + 1372.8 \rightarrow 34322 x 4%

34322 + 1372.8 \Rightarrow 35694.80

\rightarrow Round off \Rightarrow 35690

Q Monthly income ₹ 84362 rs

Tax liability = 84362 x 12 = 10,12,344

Round off = 1012340

upto 3L @ Nil

4L @ 5% = 20,000

3L @ 10% = 30,000

12340 @ 15% = 1851 ~~6~~

Amount before Cess 51851 ~~6~~

51851 x 4% = 2074.44

Tax liability before round off 53925.44

\downarrow
Round off = ₹ 539230

\downarrow
Tax liability

- GST Act, 2017
- Income tax Act, 1961

Section 1 → Name = Income Tax Act, 1961
 Scope = whole of India
 Effective = 1 April, 1962

* Types of Tax

There are two types

Direct tax

When the Burden of tax and liability to pay to the govt. is on the same person, it is called Direct tax

Eg:- Company secretary
 Income = 15 lakh
 Income tax = $\frac{4,50,000}{(Assume) @ 30\%}$
 ↓
 Tax pay.
 Income tax.

In-direct tax.

When the Burden of tax is on 1 person & liability to pay to the govt. is on another person, it is called Indirect tax.

Eg:- student → Academy
 Fees = 1 lakh
 + 18000 GST
 ↓
 GST Govt.

* Charging section of Income Tax Act, 1961.

- Section 4
- The tax is to be levied & collected
 - From a person in India
 - On his Total Income
 - Earned during the previous year
 - As per the rates given in the Finance Act or Section 115 BAC