

* Marginal Relief

Total Income of Mr BB is ₹ 50,20,000. Compute his Tax liability. [Assume he opted out from sec 115BA]

→ Tax liability

upto 250000	—	—	
> 250000 upto 500000	5%	12500	
> 500000 upto 1000000	20%	100000	
> 1000000 upto 5020000	30%	1206000	
		1318500	
Add: surcharge @ 10%		131850	
		1450350	

Restricted to

Tax on 50,00,000 + [NTI - 50 lakh]
 1312500 + 20000 = 1332500

Marginal Relief
117850

	1332500	
Add: H&EE @ 4%	53300	
Net Tax liability	1385800	

Note 1:-

upto 250000	—	—	
> 250000 upto 500000	5%	12500	
> 500000 upto 1000000	20%	100000	
> 1000000 upto 5000000	30%	1200000	
		1312500	

pg no. 1

Marginal Relief

Q2

Tax liability

upto 250000	—	—
> 250000 upto 500000	5%	12500
> 500000 upto 1000000	20%	100000
> 1000000 upto 5000000	30%	1230000
		1342500
Add:- surcharge @ 10%		134250
		1476750

Restricted to

Tax on 50,00,000 + [NTI - 50 lakh]

$$1312500 + 100000 = 1412500$$

Marginal Relief
 ↓
 64250

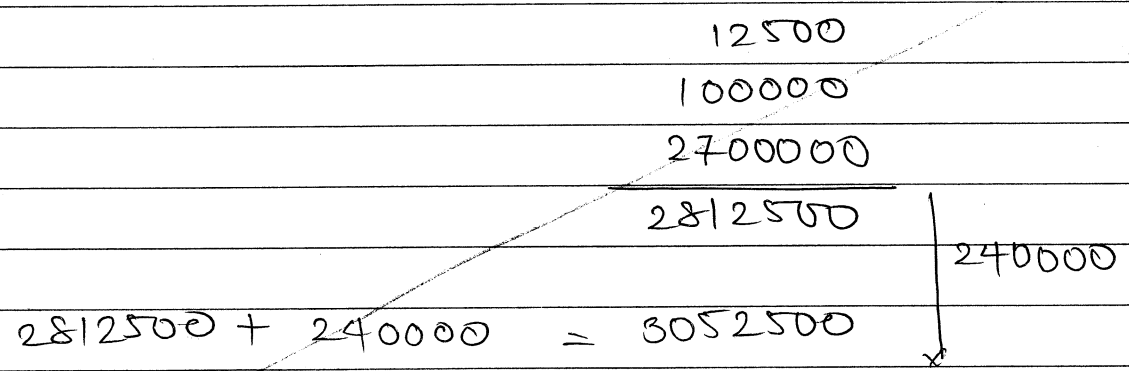
$$\begin{array}{r}
 1412500 \\
 \text{Add:- H&EE@} \\
 \quad \quad 4\% \\
 \hline
 1469000
 \end{array}$$

Note:-

upto 250000	—	—
> 250000 upto 500000	5%	12500
> 500000 upto 1000000	20%	100000
> 1000000 upto 5000000	30%	1200000
		1312500

Eg. 4
 Total Income of Mr. Hari (Resident Individual Age 42 yrs) is ₹ 10240000. Calculate tax liability and Marginal Relief [if any] Assume he opted out of sec 115BAC

Tax liability		
upto 250000		
> 250000 upto 500000	5%	12500
> 500000 upto 1000000	20%	100000
> 1000000 upto 10240000	30%	2772000
		2884500
Add surcharge 15%		432675
		3317175 ↗



Add 4y.
 MfEE
2812500
112500

NOTE

NTI :- 10000000		
upto 250000		
> 2.5l upto 5l	5%	12500
> 5l upto 10l	20%	100000
> 10l upto 10000000	30%	2700000
		2812500
Add :- surcharge @ 10%		281250
		3093750

Restricted to

NO margin-
al
relief

Tax on ICR + (NTI - ICR)

3093750 + 240000

3333750

(NOTE 1)

3817175

Add:- H&EC @ 4%

132687

3449862

i.e 3449860

Eg 5:-

Total Income of Mr Raja (Age 63 yrs Resident Ind) of ₹ 10130000. Calculate his Tax liability. [Assume he opted out from sec 115BAC]

Tax liability

upto 300000	-	-	
> 300000 upto 500000	5%	10000	
> 500000 upto 1000000	20%	100000	
> 1000000 upto 10130000	30%	2739000	
		2849000	
Add: surcharge 15%		427350	
		3276350	

Note 1.

upto 300000	-	-	
> 3l upto 5l	5%	10000	
> 5l upto 10l	20%	100000	
> 10l upto 1cr	30%	2700000	
		2810000	
Add: surcharge @ 10%		281000	
		3091000	

Rest to

Tax on 1 cr +
~~3091000~~ + 130000 = ~~3221000~~ 3221000

Marginal relief
 55350

3221000
 Add: Hec @ 4% 128840
 3349840

Eg 6:-

Total Income of Miss Manju is Rs 20320000 (Age 29 yrs, Resident Individual). Calculate Tax liability. Assume he opted out from sec 115BAC.

Tax liability

upto 250000	—	—
> 250000 upto 500000	5%.	12500
> 500000 upto 1000000	20%.	100000
> 1000000 upto 20320000	30%.	5796000
		5908500
Add surcharge 25%.		1477125
		7385625

Restricted to

Tax on 200,00,000 + [NTI - 2cr]

6684375 + 320000 = 7004375

Marginal Relief
 ↓ 381250

7004375

Add:- H&EC @ 4% 280175

7284550

NOTE 1:-

upto 250000	—	—
> 250000 upto 500000	5%.	12500
> 500000 upto 1000000	20%.	100000
> 1000000 upto 20000000	30%.	5700000
		5812500
Add:- surcharge 15%.		871875
		6684375

Eg 7:-

Total Income of Mr. AK [30 yrs] is ₹ 50730000. Calcw-
 -rate tax liability. Assume he opted out from sec
 115BAC.

Tax liability upto 250000	-	-	
> 250000 upto 500000	5%.	12500	
> 500000 upto 1000000	20%.	100000	
> 1000000 upto 50730000	30%.	14919000	
		15031500	
Add:- surcharge @ 37%.		5561655	
		20593155	

Restricted to	
Tax on Scr + [NTI - scr]	Marginal relief
18515625 + 730000 = 19245625	1347530

	19245625	
H&EC @ 4%.	769825	
	20015450	

NOTE 1:-

upto 250000	-	-	
> 250000 upto 500000	5%.	12500	
> 500000 upto 1000000	20%.	100000	
> 1000000 upto 50000000	30%.	14700000	
		14812500	
Add:- surcharge 25%.		3703125	
		18515625	

Sec 87A :- Rebate for Resident Individual

For Resident Ind. having total income upto ₹ 5 Lakh eligible for rebate from Tax:

- i) Tax Amount
 - or ii) 12500
- whichever is lower.

NOTE 1:- Rebate available before Health and Education cess.

NOTE 2:- Rebate is available against Tax of any type of income other than LTCG u/s 112A.

ex 1:- Mr Arnav (Resident Individual) having total income of ₹ 430,000. Calculate Tax.

Total Income = 430000		
upto 250000	—	—
> 250000 upto 500000 430000	5%.	9000
		9000

(-) Rebate u/s 87A

↓ (i) Tax Amt	9000	
↓ (ii) 12500	12500	9000
		X

Ex2:- Total Income of Mr Aman (Resident Individual) is ₹ 502000. Calculate Tax liability.

upto 250000	—	—
> 250000 upto 500000	5%	12500
> 500000 upto 502000	20%	400
		12900
Add:- HEC @ 4%		516
		13416
		i.e 13420

In this rebate is not available
 u/s 87A as Total > 500000

Sec 115BAC - Default Tax Regime for Individual / HUF / AOP / BOI / AJP.

Under this section, Tax rate shall be :-

Total Income upto	(Basic exemption)	Tax Rate
400000	upto 400000	—
> 400000	upto 800000	5%
> 800000	upto 1200000	10%
> 1200000	upto 1600000	15%
> 1600000	upto 2000000	20%
> 2000000	upto 2400000	25%
> 2400000		30%

* Surcharge *

Total Income upto	% of Tax
₹ 50,00,000	—
> 50 lakhs upto 1cr	10%
> 1cr upto 2cr	15%
> 2cr	25%

Note - Surcharge @ 37% Not Applicable

* Health and Education cess @ 4%. Applicable on Taxes (+ surcharge if any)

* Above Tax Rates are applicable in case of Resident as well as Non Resident.

* In case of senior citizen or super senior citizen, also, the above Tax Rate are available.

If Assessee opted default taxation regime (New Taxation Regime) u/s 115BAC, then following exemptions / deductions are not available to the Assessee

1) Income from Salary:-

- a) HRA Exemption u/s 10(13A)
- b) LTC Exemption u/s 10(5)
- c) Allowances Exemption u/s 10(14) (Except DTDC)
 - D:- Commutation Allow. exemption for Divyang employees
 - T:- Travelling on Tour Allowance
 - D:- Daily Allowance
 - C:- Conveyance Allowance
- d) Dedn u/s 16(ii) and 16(iii) for Entertainment Allowance and Professional Taxes
- e) Pre-meal exemption upto ₹ 50/meal.

2) Income from House Property

- a) Interest u/s 24(b) in case of SOP (Max 30000/200000) ^{Not} Allow-_{ed}
- b) Loss from LOP/DLOP NOT Allowed to set off against any other head of Income and losses cannot be carry forward _{and}

3) PABP

- a) Additional depreciation u/s 32(1)(iia)
- b) Dedn u/s 35(i)(ii), (iia), (iii), 35(2AA) [Donations]
- c) Dedn u/s 35AD, Specified Business.

4) Income from other sources

- a) Allowances exemption for MP/MLA/MLC u/s 10(17)
- b) Exemption for minors Income u/s 10(32)