

INCOME-TAX RATE CHART FOR THE FINANCIAL YEAR 2022-2023 (Asst. Year 2023-2024)

For Individuals & Women

TOTAL INCOME SLAB	RATE OF INCOME-TAX	SUR-CHARGE	Health & Edn. Cess
Upto Rs.2,50,000	Nil	Nil	Nil
Rs.2,50,001 to Rs.5,00,000	5%	Nil	4%
Rs.5,00,000 to Rs.10,00,000	Rs.12500 + 20%	Nil	4%
Rs.10,00,001 and above	Rs.1,12,500 + 30%	Nil	4%
Rs.50 Lakhs & above	Rs.13,12,500 + 30%	10%	4%
Rs.1 Crore & above	Rs.28,12,500 + 30%	15%	4%

For resident Senior Citizens (60 Years and above)

If a citizen attains 60th year during the Financial Year. He is a Senior Citizen for that Financial Year.

TOTAL INCOME SLAB	RATE OF INCOME TAX	SUR-CHARGE	Health & Edn. Cess
Upto Rs.3,00,000	Nil	Nil	Nil
Rs.3,00,001 to Rs.5,00,000	5%	Nil	4%
Rs.5,00,000 to Rs.10,00,000	Rs.10000 + 20%	Nil	4%
Rs.10,00,001 and above	Rs.1,10,000 + 30%	Nil	4%

For Sr. Citizens..... for Income upto Rs.3,00,000/- There is no tax

For resident Super Senior Citizens (80 Years and above)

If a citizen attains 80th year during the Financial Year .. He is a Super Senior Citizen for that Financial Year.

TOTAL INCOME SLAB	RATE OF INCOME TAX	SURCHARGE	Health &Edn.Cess
Upto Rs.5,00,000	Nil	Nil	Nil
Rs.5,00,000 to Rs.10,00,000	20%	Nil	4%
Rs.10,00,001 and above	Rs.1,00,000 + 30%	Nil	4%

For Super Senior Citizen -- for Income upto Rs.5,00,000/- There is no tax

For any one, If the total taxable income does not exceed Rs.5,00,000/- (i.e. after claiming allowable deductions including Section 80), 100% tax or Rs.12,500/- whichever is less can be claimed as rebate u/s 87A. (No tax payable on a total income upto Rs.5,00,000/-).

Section 194P w.e.f. 01.04.2021

Those attained 75 years of age and their source of income is Pension and interest only ---- No need to file "Income-tax Return" as per Section 194P of Income-tax Act, 1961.

Allowable deductions from Gross Salary :

1. Under Section 16 (ia) of I.T.Act, 1961 Standard Deduction of Rs.50,000/-
2. Under Section 16 (iii) of I.T. Act, 1961 Professional Tax paid
3. House Rent Allowance (H.R.A.)as per calculation under Section 10(13A)-
Section 10 (13A).....House Rent Allowance

Least of the following is exempted.

1. Actual House Rent Allowance received
2. Rent paid in excess of 1/10th of salary
3. 50 % of Salary...for cities Delhi/Mumbai/Kolkata/Chennai
40% of salary ...for any other place

Those who are not in receipt of H.R.A. can claim deduction upto Rs.5,000/- p.m. for rent paid. u/s 80 GG.

Salary means Pay + D.A.

For claiming H.R.A., one has to produce the rent receipt

Employees drawing H.R.A. upto Rs.3,000/- are exempted from producing rent receipts.

If the rent paid exceeds Rs.1 Lakh per annum, for claiming H.R.A. deduction, one has to produce the PAN number and address of the Owner of the house.

If any one is paying rent, more than Rs.50,000/- p.m., has to deduct income-tax @ 5% from the rent and to pay the remaining to the owner of the house. The amount so deducted must be paid into the Central Government A/c immediately. No need to obtain TAN Number for rent purpose. Section ..194IB

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If the Government Employee is staying in the city where his own house is situated, the total HRA drawn is taxable. It is immaterial whether he is staying in that house or not.

DEDUCTIONS UNDER SECTION 80

Deduction u/s 80 C An individual can save up to Rs.1,50,000/- in any of the plans mentioned viz.. deposits in GPF/LIC/Housing Loan Principle/Tuition fee paid/Fee paid for Registration

Deduction u/s 80 CCC - upto Rs.1,50,000/-...contribution to Annuity Plan of LIC (Jeevan Suraksha) or any other Insurance Company to receive Pension.

New Pension Scheme

Deduction u/s 80 CCD(1) - contribution by the employee to N.P.S. Scheme... upto Rs.1,50,000/- 10% of gross total income to N.P.S. Scheme (20% in case of non-employee)

Hence..... u/s 80 C OR 80 CCC OR 80 CCD(1) ... the total deduction allowable is Rs.1,50,000/-.

Notified Pension Scheme u/s 80CCD(1B).....Allowable deduction Rs.50,000/-

One can claim additional amount of Rs.50,000/- made as contribution towards Notified Pension Scheme.

Hence Total Deduction u/s 80C + 80 CCC + 80 CCD (1) is Rs.1,50,000/-
Deduction u/s 80CCD(1B) is Rs.50,000/- Rs. 50,000/- Total ... Rs.2,00,000/-

Contribution by the Employer to N.P.S. Scheme... - @ 14% of Salary - **Deduction u/s 80CCD(2)**

Withdrawal from NPS Account

Sec.10(12A).. Final withdrawal - upto 60% of accumulation is exempted.

Sec.10(12B).. Partial withdrawal - upto 25% of amount of contribution, is exempted.

Deduction u/s 80D – For Individual/HUF..... **contribution towards Medical Insurance Premiums** – Self plus family...Rs.25,000 ::Self plus family plus parents...Rs.50,000/- :: (Rs.50,000/- for Sr.Citizens)
Preventive Health Check up for self/family restricted to Rs.5,000/-p.a.

Deduction u/s 80DD – Medical Treatment/maintenance of handicapped dependents

For Individual/HUF - upto Rs.75,000/-- (Certificate from Medical Authority be produced)

(Rs.1,25,000/- for severe disability i.e. if the disability is 80% or more)

Deduction u/s 80DDB– Medical Treatment of specified disease of him self or dependent or member of a family

For Individual/HUF - Amount actually paid or Rs.40,000/- whichever is less. (Rs.1,00,000/- for Sr.Citizens)

Deduction u/s 80E – interest paid on Education Loan availed from a Financial Institution or an approved Charitable Institutions – No Limit (Only for 8 Years)

Deduction u/s 80EEA – Maximum of Rs.1,50,000/- interest paid on loan taken for a residential house property Loan availed during the period 01.04.19 to 31.03.22.

Allowed, where assessee does not own a house, and Stamp duty not to exceed Rs.45 Lakhs.

Deduction u/s 80EEB – Maximum of Rs.1,50,000/- interest paid on loan taken for purchase of a Electric Vehicle purchased during the period 01.04.2019 to 31.03.2023.

Deduction u/s 80G – Donation, if exceeding Rs.2,000/- must be made in cheque only (80G.5D).

100% exemption >>>>Donations made to PM/CM relief fund, National Defence Fund, PM Cares Fund

50 % exemption >>>>Donations made to approved charitable institutions

Donation made upto 10% of Gross total income is allowed as exemption.

Deduction u/s 80GG – U/s10 (13A) --- for an individual/self employed person, who is not in receipt of H.R.A. House Rent paid by the employee for his residential accommodation –Rs.5,000/-p.m.

Deduction u/s 80TTA –Only for individual and HUF..... Exempted upto Rs.10,000/-

interest received on Savings Bank A/cs of Bank/Post Office/Coop Societies

Deduction u/s 80TTB – Only for Sr.Citizens..... Exempted upto Rs.50,000/-.

Interest received on Bank/Post Office deposits.

Deduction u/s 80 U – A resident individual suffering from disability – Amount of deduction Rs.75,000/- (Rs.1,25,000/- for severe disability). The assessee shall furnish a certificate from Neurologist or a from a Civil Surgeon or from Chief Medical Officer in a Government Hospital.

Disability means ... 40% or more... Severe disability means80% or more

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INCOME FROM HOUSE PROPERTY

If any one owns a house and gave it on rent, the received must be shown as income from House Property.

If any loan availed for construction of that house, then the interest paid on that loan upto a maximum of Rs.2,00,000/- is allowed as deduction.

NOTE :

1. Employee must furnish a statement in Form 12BB providing details of other income viz.. house property or claims of deduction under Chapter VIA to the employer
2. No TDS is to be deducted on disability pension to ex-servicemen.
3. Interest on borrowed capital for construction of a house under House Property Income is Rs.2,00,000/- p.a.
4. Salary for Income-tax purpose means Salary received or accrued. In case any Salary is drawn in advance, the same is taxable in the year of receipt.
5. While in service, the total E.L. Encashment and Tuition Reimbursement Fee for children are totally taxable for that year.

TAX on GPF Contribution Section 10(11) and 10(12) of IT. Act, 1961
Rule 9D of Income-tax Rules, 1962

The maximum non-taxable limit is Rs.5,00,000/- for Government Employees and
Rs.2,50,000/- for Non-Government employees.

For example if a Government employee, for the F.Y. 2022-23, is contributing Rs.55,000/- per month, the total contributions for that year is Rs.6,60,000/- (Rs.55,000/- x 12 Months). The non-taxable limit is Rs.5,00,000/- . Hence an amount of Rs.1,60,000/- (Rs.6,60,000 - Rs.5,00,000/-) is taxable. The interest earned on Rs.1,60,000/- is also taxable. Hence Rs.1,60,000/- + Rs.1,893/- (Rs.1,60,000/- x 7.21%(GPF rate of int.) = Rs.1,61,893/- is taxable for the F.Y. 2022-23.

NEW TAX RATES (Section 115BAC) - Alternate to existing Tax Slab Rates.... No Deductions are allowed under New Tax Slabs. The Gross income is subject to Tax and that is the Taxable Income only.

The following table shows the new slab rates as per Section 115BAC.

Annual Income	New Income Tax Slab Rate
Nil to Rs. 2.5 lakh	Exempt
Above Rs. 2.5 lakh to Rs. 5 lakh	5%
Above Rs. 5 lakh to Rs. 7.5 lakh	10%
Above Rs. 7.5 lakh to Rs. 10 lakh	15%
Above Rs. 10 lakh to Rs. 12.5 lakh	20%
Above Rs. 12.5 lakh to Rs. 15 lakh	25%
Above Rs. 15 lakh	30%

Allowed Deductions : Transport Allowance (Allowance for attending the office) and investment in New Pension Scheme u/s 80CCD. New Tax Regime is useful for high income groups with less savings.

AT THE TIME OF RETIREMENT

For Govt. Employees all the benefits received at the time of retirement are tax free.

1. **Death cum Retirement Gratuity upto Rs.20,00,000/-** **Section 10(10)**
2. **Commutation of Pension** **Section 10(10A)**
3. **Encashment of Earned Leave at credit etc.** **Section 10(10AA)**
4. **Payment from Provident Fund Account** **Section 10(11)**

CAPITAL GAIN TAX

Income-tax payable on sale of any Capital Asset if it results in profit. If any one purchases one residential house/open plot and keeps it for a period of 2 years or more and sells it/re-sells it, one has to pay tax on selling that property.

some of the examples of Capital Asset :

1. Sale of Plots
2. Sale of Houses/Apartments
3. Compulsory acquisition of the assets under any law

Tax must be paid in the year in which transfer took place. For example for sale one apartment the advance was taken on 12.12.2021 (F.Y.2021-22) and the total amount was paid on 10.04.2022 (F.Y.2022-23) then tax is to be paid during the F.Y. 2022-23 only. In the case of compulsory acquisition of any land by State Government or Central Government, tax must be paid in the year in which the compensation was received.

Rate of tax is different for "Short Term Capital Gain" and "Long Term Capital Gain".

Short Term Capital Gain ... If any land or building is held in your hands for a period of 24 months.
"Land or Building purchased on 01.01.2020 and sold on December, 2021".

Long Term Capital Gain ... If any land or building is held in your hands for more than a period of 24 months.
"Land or Building purchased on 01.01.2020 and sold on January, 2022".

HOW TO CALCULATE

Sale Price	Rs.xxxxxxx
Less : Indexed purchase price	Rs.xxxxxxx
Less : Indexed improvement price.....	Rs.xxxxxxx
Less : Transfer expenses like	
Brokerage/Commission	Rs.xxxxxxx
Capital Gain on which tax @ 20% payable	<u>Rs.xxxxxxx</u>

Our purchase price will be calculated for today's price. That is called indexed cost of acquisition or indexed purchase price.

Any improvement made to the property also can be deducted with indexed price.

For example we have purchased a property for Rs.10,00,000/- during the year 2008 and is being sold in 2022, the price of Rs.10,00,000/- may be Rs.22,00,000/- today as per calculation. Hence our purchase price we show it as Rs.22,00,000/-

T.D.S. (Tax Deducted at Source)

- When to deduct TAX ?... At the time of making payment - PAN must be produced
- T.D.S. without PAN is @ 20% or applicable rate whichever is higher TDS deducted is a Government Money. Hence be remitted into Govt. A/c within the time. Otherwise interest will be levied. In some cases prosecution will be launched.

T.D.S. for foreign remittances

especially on sending money for Children on Educational Loan etc.
For remittance overseas under Liberalized Remittance Scheme (LRS).....

If the foreign remittance exceeds Rs.7 lakh during the Financial Year through Authorised Banking Channel Tax will be collected @ 5% on the remittance exceeding Rs.7 Lakh.

For example if you are sending 12 Lakhs, an amount of Rs.25,000/- will be collected as Tax.

(Rs.12,00,000 – Rs.7,00,000 = Rs.5,00,000 x 5% = Rs.25,000/-)

THANK YOU

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