

Highlights of Union Budget 2017-18

PERSONAL INCOME TAX

- Existing rate of tax for individuals between Rs. 2.5 - Rs 5 lakh is reduced to 5% from 10%.
- Simple one page return for people with an annual income of Rs. 5 lakh other than business income.
- People filing Income Tax Returns for the first time will not come under any government scrutiny.
- 10% surcharge on individual income above Rs. 50 lakh and up to Rs. 1 crore. 15 surcharge on individual income above Rs. 1 crore to remain.

Income	Tax Rate
Individual Tax Payers	
Upto Rs. 2,50,000	Nil
Rs. 2,50,001 to Rs. 5,00,000	5%
Rs. 5,00,001 to Rs. 10,00,000	20%
More than Rs. 10,00,000	30%
Senior Citizens (60 years old and above but less than 80 years)	
Upto Rs. 3,00,000	Nil
Rs. 3,00,001 to Rs. 5,00,000	5%
Rs. 5,00,001 to Rs. 10,00,000	20%
More than Rs. 10,00,000	30%
Super Senior Citizens (80 years old and above)	
Upto Rs. 5,00,000	Nil
Rs. 5,00,001 to Rs. 10,00,000	20%
More than Rs. 10,00,000	30%

Note: Surcharge of 10 per cent on income of all individuals above Rs 50 lakh and less than Rs 1 crore and surcharge of 15 per cent on income above Rs 1 crore

GROWTH MEASURES

- MAT credit is allowed to be carried forward up to a period of 15 years instead of 10 years at present
- In order to make MSME companies more viable, income tax for companies with annual turnover upto Rs. 50 crore is reduced to 25%
- Allowable provision for Non-Performing Asset of Banks increased from 7.5% to 8.5%.
- Basic customs duty on LNG reduced from 5% to 2.5%
- Scope of domestic transfer pricing restricted to only if one of the entities involved in related party transaction enjoys specified profit-linked deduction
- Threshold limit for audit of business entities who opt for presumptive income scheme increased from Rs. 1 crore to Rs. 2 crores. Similarly, the threshold for maintenance of books for individuals and HUF increased from turnover of 10 lakhs to 25 lakhs or income from 1.2 lakhs to 2.5 lakhs
- Commission payable to individual insurance agents exempt from the requirement of TDS subject to their filing a self-declaration that their income is below taxable limit
- Under scheme for presumptive taxation for professionals with receipt upto Rs. 50 lakhs p.a. advance tax can be paid in one instalment instead of four
- Time period for revising a tax return is being reduced to 12 months from completion of financial year, at par with the time period for filing of return. Also the time for completion of scrutiny assessments is being compressed further from 21 months to 18 months for Assessment Year 2018-19 and further to 12 months for Assessment Year 2019-20 and thereafter

DIGITAL ECONOMY

- Under scheme of presumptive income for small and medium tax payers whose turnover is upto 2 crores, the present, 8% of their turnover which is counted as presumptive income is reduced to 6% in respect of turnover which is by non-cash means
- No transaction above Rs. 3 lakh would be permitted in cash subject to certain exceptions

YOUTH

- SWAYAM platform, leveraging IT, to be launched with at least 350 online courses. This would enable students to virtually attend courses taught by the best faculty
- National Testing Agency to be set-up as an autonomous and self-sustained premier testing organisation to conduct all entrance examinations for higher education institutions
- *Pradhan Mantri Kaushal Kendras* to be extended to more than 600 districts across the country. 100 India International Skills Centres will be established across the country
- Skill Acquisition and Knowledge Awareness for Livelihood Promotion programme (SANKALP) to be launched at a cost of Rs. 4000 crores. SANKALP will provide market relevant training to 3.5 crore youth
- Next phase of Skill Strengthening for Industrial Value Enhancement (STRIVE) will also be launched in 2017-18 at a cost of Rs. 2,200 crores
- *Mahila Shakti Kendra* will be set up with an allocation of Rs. 500 crores in 14 lakh ICDS *Anganwadi* Centres. This will provide one stop convergent support services for empowering rural women with opportunities for skill development, employment, digital literacy, health and nutrition

FINANCIAL SECTOR

- Foreign Investment Promotion Board to be abolished
- The shares of Railway PSEs like IRCTC, IRFC and IRCON will be listed in stock exchanges

DIGITAL ECONOMY

- The Government will launch two new schemes to promote the usage of BHIM - Referral Bonus Scheme for individuals and a Cashback Scheme for merchants
- Aadhar Pay, a merchant version of Aadhar Enabled Payment System, will be launched shortly

PUBLIC SERVICE

- To utilise the Head Post Offices as front offices for rendering passport Services

HOUSING AND REAL ESTATE SECTOR

- Reduction in the holding period for computing long term capital gains from transfer of immovable property from 3 years to 2 years
- The base year for indexation is proposed to be shifted from 1.4.1981 to 1.4.2001 for all classes of assets including immovable property

FUNDING OF POLITICAL PARTIES

- Maximum amount of cash donation, a political party can receive, will be Rs. 2000 from one person
- Political parties will be entitled to receive donations by cheque or digital mode from their donors
- Amendment to the Reserve Bank of India Act to enable the issuance of electoral bonds in accordance with a scheme that the Government of India would frame in this regard
- Every political party would have to file its return within the time prescribed in accordance with the provision of the Income-tax Act
- Existing exemption to the political parties from payment of income-tax would be available only subject to the fulfilment of these conditions