

INTERIM BUDGET 2019

DIRECT TAX PROPOSALS SNAPSHOTS



Yoganandh & Ram LLP
Chartered Accountants

PERSONAL TAX

- No change in the slab rates or surcharge or Cess
- Rebate on tax for total income of up to INR 5,00,000 for resident individuals has been increased from INR 2,500 to INR 12,500
- Standard deduction has been increased from INR 40,000 to INR 50,000 for salaried employees
- Individuals can now own two self occupied properties instead of one self occupied property. However, aggregate deduction of interest on home loan for both the self-occupied properties retained at INR 2,00,000
- Threshold for withholding tax in case of interest from bank or Post Office deposits has been increased from INR 10,000 to INR 40,000

PERSONAL TAX

- Capital exemption from long-term capital gains arising from sale of residential house can be invested in two residential houses instead of one house, subject to:
 - Amount of capital gain cannot INR 2 crore [no monetary threshold for investment in one residential house]
 - One-time opportunity to claim such exemption

CORPORATE TAX

- No change in the rates of tax or surcharge or Cess
- Domestic companies with a turnover not exceeding INR 250 crore during FY 2017- 18 will continue to enjoy a reduced tax rate of 25% and for other companies it is retained at 30%.
- Deduction on profits is available to developers of affordable housing projects. The time limit to seek approval from competent authority for such affordable housing projects shall be extended from 31st March 2019 to 31st March 2020.

OTHER POINTS

- In case of property held as stock in trade, tax on notional income from such property shall be applicable after one year from the end of the financial year in which the certificate of completion was obtained. This period of holding is now increased to two years.
- The threshold limit for TDS on rental payments has been increased from INR 1.8 lakh to INR 2.4 lakh.