

M.COM (FINAL)
AMENDMENTS
2018-19

The rates of Tax as announced under the Finance Act 2013 for the assessment year 2018-19 are as under.

1. Very Senior Citizens (80 Years or more) Income
Tax Rate

Upto Rs. 5,00,000	Nil
Rs. 5,00,001 to Rs. 10,00,000	20%
Above 10,00,000	30%

2. Resident Senior Citizens (60 years or more but not less than 80 year

<u>Income</u>	<u>Tax Rate</u>
Up to 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%
Above Rs. 10,00,000	30%

3. Other individuals, HUF, AOP /BOI

<u>Income</u>	<u>Tax Rate</u>
Up to 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%
Above Rs. 10,00,000	30%

SURCHARGE ON TAX FOR THE ASSESSMENT YEAR 2018-19
Education Cess :

Education cess at the rate of 2% on income tax plus 1% additional cess for secondary and higher Education on income tax in all cases shall be levied.

Surcharge:

Surcharge: 12% of income tax, where total income exceeds Rs. 1 Crore

Cess: 3% on total of income tax + surcharge.

Income tax exemption limit for FY 2018-19 is up to Rs. 2,50,000 for individual & HUF other than those covered in Part (II) or (III)

Firm

A partnership firm shall be liable to tax at the rate of 30%. Education Cess at 2% plus 1% for secondary and higher education shall be levied on income tax. Therefore, the effective rate of tax including education cess works out to Rs. 30.9%

Surcharge 10% of total tax income if exceeds Rs. 10.00 crores Marginal Relief in the Case of firm having net income of exceeding Rs. 1.00 crore the net amount payable as income tax shall not exceed the total amount payable as income tax on total income of Rs. 1.00 crore by more than the amount of income that exceeds Rs. 1.00 crore

Companies:

A domestic company shall be liable to tax at the rate of 30%. Education Cess at 2% plus 1% for secondary and higher education shall be levied on income tax. Plus surcharge. Surcharge 5% if income is between Rs. 1 Crore and Rs. 10.00 crore, if it exceed Rs. 10.00 crores surcharge 10%

The tax rate for companies with an annual turnover of up to Rs. 50 crore has been brought down to 25% from 30%. Besides the above change, other rates remain the same as were in the previous year. Please see the income tax slab for domestic companies for FY 2018-19

Foreign Company

The tax rate applicable to a foreign company is 40%. Education Cess of 2% plus 1% for secondary and higher education.

Rates of tax for co-operative societies are as follows:

<u>Income</u>	<u>Tax</u>
Up to Rs. 10,000	10%
Rs. 10,001 to Rs. 20,000	20%
Above Rs. 20,000	30%

No surcharge is leviable on the income tax calculated. However, education cess at 2% plus 1% for secondary higher education shall be levied on the amount of income tax.

Minimum Alternative Tax (MAT)

If the tax liability of a company under normal provisions is lower than 18.5% of “Book – profits”, “Book – Profit shall be deemed as Total income and 15% of Book – profits should be deemed to as tax liability.

Wealth Tax

New wealth exceeding Rs. 3,00,000 is taxable at a rate of 1% with no surcharge.

Computation of Capital gains:

Cost Inflation Index [CII]

2001-02=100; 02-03=105; 03-04=109; 04-05=113; 05-06=117; 06-07=122; 07-08=129;
08-09=137; 09-10=148; 10-11=167; 11-12=184; 12-13=200; 13-14=220; 14-15=240;
15-16=254; 16-17=264; 17-18=272

Income from other sources:

Rates of TDS are given in the following table for the Academic Year 2014-15 Individual, HIUF, AOP, BOI

S. No	Nature of Income	Rate
1	Dividends (Indian Companies)	Nil
2	Interest on Units of UTI	Nil
3	Bank Interest if amount of Interest exceeds Rs. 5000	10
4	Interest on securities issued by a. Central or State Govt. b. Local authority or Statutory corporation c. Company i. Listed ii. Unlisted	Nil 10% 10% 10%
5	Winnings from lotteries, puzzles, card games.	30

Summary of Grossing Up

S. No	Nature of Income	Rate
1	Tax free Govt. Security	Interest received is gross interest no grossing up
2	Tax-free Commercial Security (Listed)	Grossing up should be done Gross interest = Net Interest x 100 90
3	Tax-free Commercial Security (Unlisted)	Grossing up should be done Gross interest = Net Interest x 100 90
4	Less-Tax Government (Listed)	Grossing up should be done Gross interest - Net Interest x 100 90
5	Less-Tax Government (Unlisted)	Grossing up should be done Gross interest - Net Interest x 100 90
6	Lottery and Puzzles	Grossing up should be done Gross interest - Net Amount Received x 100 90

DEDUCTION FROM GROSS TOTAL INCOME SEC. 80

U/S 80 D: Medical Insurance Premium Maximum for all Individuals and HUF Rs. 25,000 for Senior Citizen Rs. 30,000

U/S 80 D: Maximum Rs. 75,000 for Service disability deduction in upto Rs. 125000

U/S 80 D: Entire amount paid by way of interest is deductible. This facility is extended to relatives. Spouse and children wef Assessment year 2008-09.

U/S 80 D: General deduction Rs. 75,000 - Rs. 1,25,000 case of serve disability.

11. Deduction for contribution by Central Govt. Employer New Pension Scheme to be allowed in addition to the ceiling of Rs. 1,50,000 [Sec. 80CCE]

12. Deduction for profits and gains of firms engaged in infrastructure development U/S 801A 5 Years 100 %, next 5 years 30%

13. Deduction for mineral oil producing undertaking in NE region disallowed in relation to blocks licensed under a contract awarded after 31-03-2011 [Sec 801B] 25% Profits

14. Interest from infrastructure debt fund receive by non-resident foreign company to be taxable @ 5% {Sec 11 5A]

15. Dividends received from a specified foreign company by an Indian company to be taxable @ 15% [Sec 115A]

16. (a) Rate of minimum alternative tax raised to 18.5% of books profits.

(b) MAT shall be applicable in case of profits of a SEZ unit / Developer.

[Sec 1.15JB]

17. Limited liability Partnership shall be liable to pay alternate minimum tax (AMT) @ 18.5% of its adjusted total income. If the amount of income tax as per normal rates falls short of this amount Credit for MAT can be availed against normal tax in next 10 assessment year.

18. Dividend distribution tax to be payable by SEZ developer / SEZ developer SEZ units also
[Sec 1.15.O]

19. Central Govt. may exempt any class or classes of persons from the requirement of furnishing of return.

20. A body / Authority Board/ Trust/ Commission Claiming exemption u/s 10(46) and infrastructure debt fund claiming exemption u/s 10(47) shall be required to furnish its return of income. [Sec 139(4c)]

21. TDS to be deducted @5% on interest payable to be non-resident / foreign company by an infrastructure debt fund, wef 01-06-0011. [Sec 194LB]