

Highlights of Income Tax

- For **individual** tax payers exemption limit enhanced from Rs. **1,60,000/- to Rs. 1,80,000/-**.
- For **senior citizen** exemption limit extended from **Rs. 2,40,000/- to Rs. 2,50,000/-**.
- **Qualifying Age limit** of senior citizen reduced from **65Yrs. to 60Yrs.**
- **New category** is introduced for senior citizen for the age limit **80 Yrs. and above**. The exemption limit for the same is up to **Rs. 5,00,000/-**.
- **Surcharge** for domestic company reduced from **7.5% to 5 %**.
- Rate of MAT increased from **18% to 18.5%** of book profit.
- Levy of MAT on SEZ developers & units operating in them Further DDT is also made applicable to them.
- Additional **deduction of Rs. 20,000** for investment in long-term infrastructure bonds proposed to be **extended for one more year**.
- Concessional tax on dividend received by **Indian companies from its foreign subsidiaries @ 15%**.
- Deduction allowed u/s 36(1)(via) to Employer contributing to New pension scheme
- Tax incentives extended to attract foreign funds for financing of infrastructure
- Benefit of investment linked deduction extended to businesses engaged in the production of fertilizers.
- Investment linked deduction to businesses developing affordable housing
- Sunset clause for tax holiday to power sector u/s 80IA(4) has been extended.
- Weighted deduction on payments made to National Laboratories, Universities and Institutes of Technology to be enhanced to 200 per cent.
- System of collection of information from foreign tax jurisdictions to be strengthened.

- Various Tax Information Exchange Agreements (TIEA) and Double Taxation, Avoidance Agreements (DTAA) concluded. Foreign Tax Division of CBDT has been strengthened to effectively handle increase in tax information exchange and transfer pricing issues.
- Monetary limits for related person for making application before Settlement Commission relaxed.
- Settlement Commissions granted power of rectification of its order.

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