

## **YOUR QUERIES: INCOME TAX: Can switch to old tax regime at the time of filing income tax return**

*Under the new concessional tax rate regime, individuals can offer their total income at lower slab rate prescribed, provided they forgo certain specified deductions and exemptions.*

**I am working in an IT company. My salary is Rs 6 lakh per annum and by mistake I opted for the new tax regime and tax was deducted. If I had opted for the old tax regime there wouldn't have been any tax to pay. How can I change to the old regime?**  
—Satish Kumar Reddy

Under the new concessional tax rate regime, individuals can offer their total income at lower slab rate prescribed, provided they forgo certain specified deductions and exemptions. This regime is optional and the option can be exercised in every tax year if the taxpayer does not have business or professional income. In the absence of information, it is assumed that you are a salaried employee, not having any income from business or profession.

It has been clarified by the CBDT that intimation to employer declaring intention to opt for concessional tax regime shall only be for the purpose of TDS, which cannot be modified during the year. However, at the time of filing return of income, one may switch to the old regime. Thus, option at the time of filing of return may be different from intimation made by the employee to the employer. The ITR Form asks the choice of the individual and tax is computed accordingly. The TDS in excess of the final tax liability (ascertained after taking into account the allowable deductions/ exemptions), may thus be claimed as refund by opting for the old regime in the ITR.

**If my profits from the sale of stocks exceed the basic exemption limit of Rs 2.5 lakh (a) will I have to pay both capital gains tax and income tax? (b) How do I actually pay the tax?**

—Manipal Mithun

Tax on capital gains is part of income tax. Any long-term capital gains (LTCG) on transfer of listed shares are taxed at 10%, if such gains are in excess of Rs 1 lakh in a financial year and Securities Transaction Tax (STT) has been duly paid. Other LTCG are taxed at 20%.

Short term capital gains (STCG) are taxable at applicable slab rates. The rate is 15% if STCG arise on sale of listed equity on which STT has been paid. A resident individual may adjust the basic exemption limit against LTCG/ STCG, after making adjustments of other income. In order to discharge your tax liability, you will have to file Income Tax Return form. You can pay the tax by making payment through an authorised bank or through the internet by availing e-tax payment facility.

*(Source: Financial Express)*