

Union Budget 2008

Important features

- ☞ No change in rates of income tax. But slab rates for Individual and HUF assessee revised upwards.
- ☞ Basic exemption limits raised to Rs. 180000/= for woman assessee, to Rs. 225000/= for senior citizen and to Rs. 150000/= for all other individual and HUF assessee.
- ☞ No change in the rates of corporate and partnership firm income tax.
- ☞ The Surcharge of 10% on income tax and the Education Cess of 2% and Secondary and Higher Education Cess @ 1% to continue as per last year.
- ☞ Short Term capital gains arising on listed securities now to be taxed at 15% and Long Term Capital gains arising on Equity shares of listed companies continue to be exempt from tax.
- ☞ Securities Transactions Tax of 0.125% on equity and 0.25% on units to be continued and to be allowed as business expenditure.
- ☞ The Banking Cash Transaction Tax @ 0.1% to be withdrawn from 1st April 2008.
- ☞ New Commodity Transaction Tax introduced with effect from assessment year 2009 – 2010 and will be allowed as business expenditure.
- ☞ Additional deduction for payment of medical insurance premium for parents under section 80D up to Rs.20,000/- for senior citizen parents and up to Rs.15,000/- for other.
- ☞ Senior Citizen Savings Scheme 2004 and Post Office Time Deposit Account made eligible savings instruments u/s. 80 C.
- ☞ Amounts received under "Reverse Mortgage" scheme not to be treated as income and transfer of property also not liable for capital gain tax.
- ☞ Due date for filing of return of income by companies and partnership firms advanced to 30th September.
- ☞ TDS certificate in paper format to continue till 31-3-2010.
- ☞ Threshold limits of exemption for service tax raised from Rs. 8 lakhs to Rs. 10 lakhs.
- ☞ Four new services brought under service tax net.

REFERENCER

1. Income tax Rates as applicable for A.Y. 2008 – 2009 & 2009-2010:

(A) For Individuals, HUFs. etc... :

Sr. No.	Taxable Income for A.Y. 2008-09	Taxable Income for A.Y. 2009 – 10	Slab Rate
1	Up to Rs. 110000	Up to Rs. 150000	NIL
2	Between Rs. 110001 – 150000	Between Rs. 150001 – 300000	10%
3	Between Rs. 150001 – 250000	Between Rs. 300001 – 500000	20%
4	Above Rs. 250000	Above Rs. 500000	30%

(B) In case of a Firm and a Domestic Company:

On whole of the total income 30%

Notes: (1) The income tax calculated at the above-mentioned rates is to be increased by a surcharge as may be applicable.

(2) The total tax so calculated as above is to be increased by an education cess of 2 % and a secondary and higher education cess of 1 %.

2. Important Dates under the Income Tax Act :

(A) For Payment of Advance Tax:

For Corporate Assesseees		For All other Assesseees	
Due Date	% age	Due Date	% age
15 th June	15%	15 th June	-
15 th September	30%	15 th September	30%
15 th December	30%	15 th December	30%
15 th March	25%	15 th March	40%

(B) For Filing of Return:

Sr. No.	Assessee	Due Date
1	For Individuals, HUFs.,	31 st July
2	For Partnership Firms	31 st July
3	For Companies, & Other with Tax Audit	30 th Sept.