

Budget high lights – Direct & Indirect Taxes

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Direct Taxes

- **No change in income tax slabs for individuals.**
- **Cess on income tax hiked FROM 3% to 4%.**
- **Standard deduction reintroduced .(Sec 16 ia)**
- **Medical and transport allowance knocked out of your salary.**
- **Surcharge of 10% on income above Rs 50 lakh but less than Rs 1 cr, 15% on income above Rs 1 cr to continue.**

Direct Taxes

- Amendment of section 44AE.
- *(a) for sub-section (2), the following sub-section shall be substituted, namely:—*
- *“(2) For the purposes of sub-section (1), the profits and gains from each goods carriage,—*
- *(i) being a heavy goods vehicle, shall be an amount equal to one thousand rupees per ton of gross vehicle weight or unladen weight, as the case may be, for every month or part of a month during which the heavy goods vehicle is owned by the assessee in the previous year or an amount claimed to have been actually earned from such vehicle, whichever is higher;*
- *(ii) other than heavy goods vehicle, shall be an amount equal to seven thousand five hundred rupees for every month or part of a month during which the goods carriage is owned by the assessee in the previous year or an amount claimed to have been actually earned from such goods carriage, whichever is higher.”;*

Direct Taxes

- Interest income exemption on deposits with banks and post offices for senior citizens increased from Rs 10,000 to Rs 50,000.(194 A)
- Senior citizens will be able to claim benefit of deduction up to Rs 50,000 annually on health insurance premium and/or general medical expenditure incurred.(80 D)
- Govt introduces long-term capital gains on equity market; long-term capital gains over Rs 1 lakh to be taxed at 10%. (112A)

Direct Taxes

- I propose to extend the benefit of the reduced corporate rate of 25% for companies with reported turnover of up to Rs 250 Crore.
- E-assessment of Income Tax Act to eliminate person-to-person contact.
- 100% tax deduction for the first five years to companies registered as farmer producer companies with a turnover of Rs. 100 Crore and above.(80 Pa)

Direct Taxes

- Amendment of section 50C.
- “Provided also that where the value adopted or assessed or assessable by the stamp valuation authority does not exceed one hundred and five per cent. of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of section 48, be deemed to be the full value of the consideration.”.
- 41% more returns were filed this year, which shows that more people have joined the tax net.

Direct Taxes

- **80JJAA.**
- in the proviso, after the words “manufacturing of apparel”, the words “or footwear or leather products” shall be inserted;

(30 % of Additional Wages as deduction from Income)

- “Provided further that where an employee is employed during the previous year for a period of less than two hundred and forty days or one hundred and fifty days, as the case may be, but is employed for a period of two hundred and forty days or one hundred and fifty days, as the case may be, in the immediately succeeding year, he shall be deemed to have been employed in the succeeding year and the provisions of this section shall apply accordingly;”.

Indirect Taxes (Customs)

- Few Changes-----
- Chapter No 8 – B C D on cashew Nuts 5% to 2.50%.
- Chapter No 15 – BCD on crude edible vegetable oils like Ground nut oil Etc -from 12.5% to 30%.BCD on refined edible vegetable oils like Ground nut oil, Olive oil, from 20% to 35%.

Indirect Taxes (Customs)

- **Chapter 20:-**

BCD on orange fruit juice falling under tariff items 2009 11 00, 2009 12 00 or 2009 19 00 is being increased from 30% to 35%.

Indirect Taxes (Customs)

- **Chapter 40:**
- BCD on truck and bus radial tyres falling under tariff item 4011 20 10 is being increased from 10% to 15%

Indirect Taxes (Customs)

- **Chapter 50:**
- BCD on silk fabrics falling under heading 5007 is being increased from 10% to 20%

Indirect Taxes (Customs)

- **Chapter 71:- Stones (prec)**

BCD on cut and polished coloured gemstones falling under chapter 71 is being increased from 2.5% to 5%.

BCD on diamonds including lab grown diamonds-semi processed, half-cut or broken falling under chapter 71 is being increased from 2.5% to 5%

Indirect Taxes (Customs)

- **Chapter 73:**

BCD on screws of cellular mobile phone falling under tariff item 7318 15 00 is being increased from 10% to 15%

BCD on SIM socket/ Other Mechanical items (Metal) of cellular mobile phone falling under tariff item 7326 90 99 is being increased from 10% to 15%

Indirect Taxes (Customs)

- **Chapter 84 and 85:-**
- **Engines** increased from 7.5% to 15%
- BCD on charger or adapter of cellular mobile phones is being increased from 10% to 15%.
For this purpose, the tariff rate of BCD for goods falling under sub-heading 8504 40 (other than 8504 40 21) is being increased from 10% to 15%

Indirect Taxes (Customs)

- 87 – Automobile.
- BCD on CKD (completely Knocked Down) imports of motor vehicles falling under headings 8702, 8704 is being increased from 10% to 15%.

EXCISE

- **Chapter 27:-**
- Table below summarizes the changes in various duties applicable to petrol and diesel:

Total excise duty on motor spirit commonly known as petrol and high speed diesel oil remains unchanged.

Item	Duty rates applicable prior upto 01.02.2018 [Rs. per litre]				Duty rates applicable with effect from 02.02.2018 [Rs. per litre]			
Product	Basic Excise Duty (BED)	AED	SAED	Total	Basic Excise Duty (BED)	Road and	SAED	Total
		(Road		Excise		Infrastructur e		Excise
		Cess)		Duty		Cess		Duty
Petrol (unbranded)	6.48	6	7	19.48	4.48	8	7	19.48
Petrol (branded)	7.66	6	7	20.66	5.66	8	7	20.66
Diesel (unbranded)	8.33	6	1	15.33	6.33	8	1	15.33
Diesel (branded)	10.69	6	1	17.69	8.69	8	1	17.69

Thank you

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