

BUDGET 2022-23

Taxation Proposals

- ❖ A new provision to allow taxpayers to file an updated return. **Updated return can be filed within 2 years from the end of the relevant Assessment Year.** The new provision will ensure voluntary tax filing and reduce litigation.
- ❖ **Alternate Minimum Tax** to be reduced to 15% for cooperative societies.
- ❖ Deduction for employer contribution to **NPS increased to 14% from 10%** earlier for State Govt. Employees on par with Central Govt. Employees.
- ❖ Proposal will **reduce Surcharge** on cooperative societies to 7%, for those whose income is between Rs 1 crore and Rs 10 crore.
- ❖ Existing tax benefits for startups, which were offered redemption of taxes for 3 consecutive years, to be extended by 1 more years. Tax incentives for startups to be incorporated until March 31, 2023.
- ❖ 30% tax on proceeds of **Virtual Digital Assets** (Crypto or Bitcoin) with no deductions other than cost of acquisition. Recipient to be taxed in case of gift of virtual digital asset. 1% TDS to be levied on payments made on transfer of digital assets.
- ❖ Long term capital gains on **Listed Equity Share** units subject to maximum surcharge at 15% propose to cap transfer of long term capital gains at 15%.
- ❖ No change in **Personal Income Tax Rates/Slabs** or increase in any exemption/deduction limits. Tax relief for people with disabilities Annuity and lumpsum received to parents or guardians attaining 60 years during lifetime of the disabled person will be eligible for tax relief.
- ❖ **Customs Administration of SEZs to be fully IT driven** and function on the Customs National Portal - shall be implemented by 30th September 2022.
- ❖ **Faceless Customs** has been fully established. During Covid-19 pandemic, Customs formations have done exceptional frontline work against all odds displaying agility and purpose.
- ❖ **Simplifying the Customs rate and tariff structure particularly for sectors like chemicals, textiles and metals and minimise disputes;** Removal of exemption on items which are or can be manufactured in India and providing concessional duties on raw material that go into manufacturing of intermediate products - in line with the objective of '***Make in India***' and '***Atmanirbhar Bharat***'.
- ❖ **Customs duty on cut and polished diamonds and gemstones** being reduced to 5 per cent; Nil customs duty to simply sawn diamond - To give a boost to the Gems and Jewellery sector.
- ❖ **Customs duty on certain critical chemicals** namely methanol, acetic acid and heavy feed stocks for petroleum refining being reduced; Duty is being raised on sodium cyanide for which adequate domestic capacity exists - This will help in enhancing domestic value addition.