

1. Personal Income-tax Rates:

New Tax Regime Under sub-section-(1A) section-115BAC from A.Y.2024-25 onwards in case Individual or HUF or association of persons (Other than a co-operative society) or Body of Individual (whether incorporated or not) or An Artificial Judicial Person	
Total Income (Rs.)	Rate
0-3,00,000	Nil
3,00,001-6,00,000	5%
6,00,001-9,00,000	10%
9,00,001-12,00,000	15%
12,00,001-15,00,000	20%
Above 15,00,000	30%

2. Chart Explaining Difference between New regime from AY 21-22 to AY 23-24 and new regime from AY 24-25

Particulars	For A.Y.21-22 to A.Y.23-24	From A.Y.24-25(New Inserted sub-section-(1A) of section-115BAC
Applicability of Section-115BAC (i.e. New Regime of tax)	Applicable to Individual or HUF only as per section-115BAC(1)	Applicable to Individual or HUF or association of persons (Other than a co-operative society) or body of Individual (whether incorporated or not) or An Artificial Judicial Person as per section-115BAC(1A)
Default Regime	Old Regime (i.e. old rates)	New regime Provided under section-115BAC(1A). if the
Availability of Deduction	(i) Deduction available under section-80CCD(2) (ii) Deduction under section-80JJAA (iii) Deduction under section-80CCH(2)	(i) Deduction under section-80CCD(2) (ii) Deduction under section-80JJAA (iii) Deduction under section-80CCH(2) (iii) Deduction under section-16(ia) in respect of standard deduction of Maximum Rs.50,000/- (iv) Deduction clause-(ia) of section-57 in respect of income in nature of family pension.
Rebate under section 87A	Available to resident assessee if his income does not exceed Rs.5,00,000/-	Available to assessee whose income-tax payable on the total income computed under section-115BAC(1A) if his income does not exceed Rs.7,00,000/-
Maximum rebate under section-87A	Rs.12,500	Rs.25,000/-
Surcharge rate if the total income exceeds Rs.5 crore	37%	25%

3. Increasing the threshold limits for Presumptive taxation schemes : (w.e.f.A.Y.2024-25)

Option for Presumptive Taxation	If At Least 95% of receipts/payments are in Non-cash Mode (i.e. Cheque, draft, which is account payee)	If 95% of the receipts/payments are other than non-cash mode
Section-44AD (Presumptive scheme for small business):	Rs.3 crore	Rs.2 crore
Sectin-44ADA (Presumptive scheme for Small Professionals):	Rs.75 Lakhs	Rs.50 Lakhs

Comments: Assessee is not required to get its books audited by a Chartered Accountant up to Turnover of Rs. 10 Crores If At Least 95% of receipts/payments are in Non-cash Mode (i.e. Cheque, draft, which is account payee)

4. 15% tax rate for New Manufacturing Co-operative Societies

Under proposed new section 115BAE of the Act, a new manufacturing co-operative society set up on or after 01.04.2023, which commences manufacturing or production on or before 31.03.2024 and does not avail of any specified incentive or deductions, may opt to pay tax at a concessional rate of 15% for assessment year 2024-25 onwards. Surcharge would be at 10% on such tax

5. TDS on payment of accumulated balance due to an Employee :

Section-192A- TDS on payment of accumulated balance due to an employee under the Employee Provident Fund scheme where amount of such payment to the payee is Rs.50,000/- or more (w.e.f.01/04/2023)		
Particulars	Before Finance Bill,2023	After Finance Bill,2023
TDS rate if employee furnish the PAN	10%	10%
TDS rate if employee do not furnish the PAN	At maximum marginal rate	20% as per section-206AA of the act.

6. Capping of Exemption under section-54 and section-54F of the act : (w.e.f.A.Y.2024-25)

Particulars	Section-54	Section-54F
Maximum deduction that can be claimed by assessee (w.e.f.A.Y.2024-25)	Rs.10 crore	Rs.10 Crore
Example	<p>Capital gain on transfer- Rs.14 Crore Amount re-invested in residential house – Rs.15 crore.</p> <p>However, as per finance bill,2023, Maximum deduction available will be capped to Rs.10 crore. So, Rs.4 crore will be taxed as LTCG under section-112.</p>	<p>Net consideration received- Rs.15 Capital gain on transfer- Rs.6 Crore Amount re-invested in residential house – Rs.16 crore.</p> <p>However, as per finance bill, 2023, Cost of new asset is more than Rs.10 crore so the cost of such asset shall be deemed to be Rs.10 crore. So, Maximum deduction available will be Rs.4 crore (i.e. $6 \times 10 / 15$). Hence, Rs.2 crore will be taxed as LTCG under section-112.</p>

7. Promoting timely payment to Micro and small Enterprises : (w.e.f.A.Y.2024-25)

Clause-(h) of section-43B- Any sum payable to MSME as deduction on actual payment.		
Particulars	IF the Written Agreement Exist between parties	If NO written Agreement
Payment should be made	Within time prescribed in agreement or 45 days, whichever is earlier	Within 15 days
IF Payment not done within the above prescribed time (i.e. 45 days/15 days, as the case may be)	Clause-(h) of section-43B inserted it provide for allowance of payment as deduction only on actual payment basis.	

Comments: The Medium and large companies have not segregated the Micro and Small business as this is again a very big work as the norms for the classification has been changed more than once and they have no mechanism to classify themselves. They have to depend on the information given from the Micro and small units who are mostly unorganized and the information has to be authenticated through an independent source.

Now the Medium and Large Companies would internally take a stand that instead of going through all this process and suffer disallowance for a legitimate expenditure, they would as well do the jobs internally or give the jobs or buy material from a Medium/Large company. Hence this disallowance would not be in the best interest of the Micro and Small businesses. As enough safeguards are already available in the MSMED act, another legislation viz. Income tax act should not step in.

8. Life Insurance Policies : (w.e.f.A.Y.2024-25)

Income from Insurance Policies (Other than ULIP for which Provision already exist) for policies issued on or after 01/04/2023

Particulars	Where Premium or aggregate of Premium is less than Rs.5,00,000/- in a year	Where Premium or aggregate of Premium is Rs.5,00,000/- or more in a year
Taxability	Exempt under section-10(10D) if Premium payable for any of the years during the term of policy exceeds 10% of the actual capital sum assured.	Any sum received which exceeds the aggregate of the premium paid during the term of such life insurance policy shall be chargeable to tax under head "Income from other sources as per section-56(2)(xiii) of the act. If the Premium paid had been claimed as deduction in any other provision of the act such premium will not be reduced from the sum so received. Computation manner shall be prescribed.
Amount received on death of Person	Exempt	Exempt

9. Increasing the rate of TCS under section-206C(1G) on certain foreign remittances and on sale of overseas tour packages :

(w.e.f.01/07/2023)

Sr. No.	Type of remittance	Present rate* (Before Finance bill,2023)	Proposed rate (After Finance Bill,2023)
(i)	Overseas tour package	5% without any Threshold limit.	20% without any threshold Limit.
(ii)	Any other case	5% of the amount or the aggregate of the Amounts in excess of Rs.7 lakh.	20% without any threshold Limit.

Comments: This change in rate will discourage foreign travel.

10. Relief to start-ups in carrying forward and setting off of losses

The Benefit of carry forward of losses extended from 7 years to 10 Years

11. Taxation of capital Gain in case of Market Linked securities : (w.e.f.A.Y.2024-25)

- **New section-50AA has been inserted** which proposed that: Notwithstanding anything contained in clause-(42A) of section 2 or section 48, **where the capital asset is a Market Linked Debenture**, the full value of consideration received or accruing as a result of the transfer or redemption or maturity of such debenture **as reduced by--**

(i) the cost of acquisition of the debenture; and

(ii) the expenditure incurred wholly and exclusively in Connection with such transfer or redemption or maturity,

For computing capital gain on Transactions

Particulars	Before Finance Bil,2023	After Finance Bill,2023
Full Value of consideration shall be considered as :	Stamp duty value + Consideration as received by cash	stamp duty value of his share as + consideration received in cash or by a cheque or draft or by any other Mode.

12. Tax treaty relief at the time of TDS under section-196A of the income tax act,1961 : (w.e.f.01/04/2023)

- It provides for TDS on payment of certain incomes to a Non-resident (Not being a company) or to a foreign company.
- The income is required to be in respect of units of a Mutual Fund specified under clause (23D) of section 10 of the Act or from the specified company referred to in the Explanation to clause (35) of section 10 of the Act.

Particulars	Before Finance Bill,2023	After Finance Bill, 2023
TDS Rate	20%	Lower of : (i) 20% (ii) Rate or rates provided in agreement referred to in section-90(1)/section-90A(1) of the act.

13. Extending deeming Provision under section-9 to Gift to Non-ordinary resident: [w.e.f. A.Y.2024-25]

- **Sub-section-(1)** of section-9 of the act is a deeming Provision providing the types of Income deemed to accrue or arise in India.
- **Clause-(viii) to sub-section-(1) of section-9** of the act provide that any sum of money exceeding Rs.50,000/-, received by Non-resident without consideration from a person resident in India on or after 05/07/2019 shall be income deemed to be accrue or arise in India. Sum of Money is referred to in sub-clause-(xviii) of section-24 of the act.
- **Vide Finance Bill, 2023**, The Government extended the scope of this section to Include Non-Ordinary resident within the Ambit of this section which are summarized below.

14. TDS on payment of Interest on listed debenture to Non-resident: (w.e.f.01/04/2023)

Particulars	Before Finance Bill,2023	After Finance Bill,2023
TDS on Interest Paid on payment of interest on listed securities to Resident	No TDS to be deducted as per proviso to clause-(ix) of section-193	TDS will be deducted at the rate in force as the proviso to clause-(ix) of section-193 has been omitted.

15. TDS and taxability on Net winning from online games: (w.e.f.A.Y.2024-25)

Section-115BBJ- Tax on winning from online games (w.e.f.A.Y.2024-25)	Section-194BA- TDS on Net winning from online games (w.e.f.01/07/2023)
<ul style="list-style-type: none"> • Any Income earned by way of winning from online games, the tax will be levied at 30%. • The tax at 30% will be calculated on Net winning from such online games during the previous year, computed in the prescribed manners. 	<ul style="list-style-type: none"> • Any person responsible for paying to any person any income by way of winnings from any online game during the financial year shall deduct income-tax on the net winnings in his user account, computed in the manner as may be prescribed, at the end of the financial year at the rates in force • Provided that in a case where there is a withdrawal from user account during the financial year, the income-tax shall be deducted at the time of such withdrawal on the net winnings comprised in such withdrawal, as well as on the remaining amount of net winnings in the user account, computed in the manner as may be prescribed, at the end of the financial year.

16. Bringing Non-resident within the Ambit of Section-56(2)(vii)(b) of the income tax act, 1961: (w.e.f.A.Y.2024-25)

- Section 56(2)(viib) of the Act, inter alia, provides that where a company, not being a company in which the public are substantially interested, receives, in any previous year, **from any person being a resident, any consideration for issue of shares that exceeds the face value of such shares, the aggregate** consideration received for such shares as exceeds the fair market value of the shares shall be chargeable to income-tax under the head 'Income from other sources'.

Consideration received by Closely Held company for issue of shares that exceeds the face value of such shares than:		
Particulars	Before Finance Bill,2023	After Finance Bill,2023
the aggregate consideration received for such shares as exceeds the fair market value of the shares (determined under Rule-11UA) shall be chargeable to income-tax under the head 'Income from other sources' under section-56(2)(vii)(b), if Payer/ Investor:	Any person being a resident	Any person irrespective of his residency status.

17. Prevention of double deduction claimed on interest on borrowed capital for acquiring, renewing or reconstructing a Property: (w.e.f.A.Y.2024-25)

- Cost of acquisition or cost of improvement **shall not include the amount of interest claimed under section-24 or chapter-VIA**, as per amended proviso to clause-(ii) of section-48 of the income tax act, 1961.