

UNION BUDGET 2015-16 Key Tax Highlights

1. Corporate tax rate to be reduced to 25% from existing 30% for next 4 years

2. Beneficiaries of foreign assets mandatorily required to file returns irrespective of the income by Resident Indian tax payers . Imprisonment of 10 yrs for non-disclosure of black money . Foreign asset may get seized if undisclosed. If foreign assets are not been able to seized , equivalent of that amount other Indian Assets will be seized .

3. PAN mandatory for any transaction for Rs. 1 lakh or more

4. Mere presence of project fund manager in India shall not be construed as Permanent Establishment of offshore funds. Intention of Govt is to operate the funds from India

5. Income tax on royalty fees for technical services to be reduced to 10% from 25%

6. Abolishment of wealth tax and instead an additional surcharge of 2% on high networth individuals having taxable income of more than Rs. 1 Crore

7. Service tax rate increased to 14% from existing 12.36%

8. Central Excise duty increased to 12.5% from existing 12.36%

9. Service tax and Central excise registration certificates to be issued in 2 working days

10. Health insurance premium deduction limit is increased to Rs. 25,000 from existing Rs. 15,000/-

11. All investment made in favour of girl child to be exempted. Interest of FD of Girl Child is also exempted.

12. Transport allowance deductible for tax purpose to be increased to Rs. 1600 pm from existing Rs. 800 pm.

13. Maximum for normal individual as per Finance Minister

Basic Exemption – 250000

80 C – 150000

80 D – 25000

Transport Allowance – 19200

Total - Rs. 4,44,200/-

14. India will set up a bank to facilitate funding for the small entrepreneurs that make up the backbone of the country's economy. The MUDRA Bank will refinance microfinance institutions under a Prime Ministerial scheme allocating 200 billion rupees (\$3.24 billion) to the plan.

15. Infrastructure Investment through Public private partnership

16 . LPG subsidy announced

17. .Disinvestment in loss making units from 1 crore to 10.3 crores

18. NBFC register with RBI above Rs.5000 crore to be considered as Financial Institutions for SARFACI

19. Pradhan Mantri Jeevan Jyoti Bima Yojana - Rs. 1 per day premium, Rs. 2 lakh coverage.

20. Accident death risk - Rs 2 lakhs for a premium of Rs.12 per year.

21. Atal Pension Yojana - defined pension depending on contribution. Govt. will contribute 50 per cent of the amount.

22. Ports will be encouraged to corporatize and become companies under Companies Act.

23..Tax fee bonds in rail and roads

24..Merging of Forward commission with SEBI

25. Option to choose ESI or health Insurance Plan approved by IRDA
26. Option to opt EPF or new pension scheme
27. Gold monitoring committee introduced
28. .Develop sovereign gold bonds with fixed rate of interest as an alternate of metal gold
29. Indian Gold coin introduced with Ashok chakra
30. Visa on arrival for 150 countries
- 31 Govt to do away with distinctions between FII and FDI and replace it with Composite Caps
32. “Make in India” policy for defence equipment - Rs. 2,46,727 crore allocation for defence taxes
33. Corporate taxation will be reduced from 30% to 25% for next 4 years. It starts from next financial year
34. Exemption to individual taxpayers will continue.
- 35 GAAR applicability to be deferred by 2 years
36. Seven years rigorous imprisonment for non filing of return on foreign assets
- 37..Increase the limit of Domestic Transfer Pricing from Rs. 5 cr to Rs. 20 cr
38. Increase the rate of service tax will be increased to 14% including cess.
39. Increase in rate of excise duty will be increased to 12.5% including cess.

40. Increase in limit of deduction in Health premium from 15000 to 25000 and for senior citizen increase from 10000 to 30000 and for very senior citizen Rs.30000

41. Contribution to pension fund has increased from 100000 to 150000

42. .Additional deduction of Rs.25,000 for differently abled persons.

43. Service tax exemption to “varishta bima yojna”

44.. Tax on Technical Services reduced to 10% from 25%

45. Custom duty on raw materials and intermediaries to be reduced

46. Yoga has included in Charitable Activities

47. Goods and Service Tax (GST) to be implemented from April 16

48. 100% deduction for contribution to swatch bharat and clean ganga

49. Negative list of service tax reduced

50. New Educational institute AAIMS , IIT and IIMs in various states
