

Budget 2019 Changes**Full Tax rebate upto 5 lakh Annual Income after all deductions.**

Rebate from income tax has been allowed maximum up to Rs 12,500 u/s 87A to assesses having income up to Rs 5.00 Lakhs.

The benefit of this change will be available only if your taxable income is up to Rs 5.00 Lakhs .

Rebate of Rs 12,500 is proposed to be allowed provided the total income after deduction under chapter VI-A does not exceed Rs 5,00,000/-.

It is pertinent to note that the persons to whom this rebate is inadmissible will be liable to pay advance tax u/s 208 of the IT Act

1961 as NOW his minimum tax liability will come to Rs 13,001/-
[ie Rs.12,501/- + 4% as Cess].

It may be noted that there is no change in the existing Income Tax slab rates

This Clause of the Bill seeks to amend section 87A of the Income-tax Act to provide relief to the individual taxpayers by increasing the maximum amount of tax rebate to Rs 12,500/- from existing Rs 2,500/-.

The tax rebate shall now be admissible to taxpayers having total income up to Rs 5.00 lakhs, instead of existing Rs 3.50 lakhs.

Standard deduction has increase from Rs 40000 to Rs 50000.**Exemption of tax on second self-occupied house**

Notional Income of *two self occupied property will now be taken to be Nil.*

Para 91 of the Finance Minister's Budget Speech on this amendment is as under:

"91. Currently, income tax on notional rent is payable if one has more than one self-occupied house. Considering the difficulty of the middle class having to maintain families at two locations on account of their job, children's education, care of parents etc. I am proposing to exempt levy of income tax on notional rent on a second self-occupied house.

Ceiling Limit of TDS u/s 194A has increased from Rs 10000 to Rs 40000

No requirement of deduction of TDS on income paid / credited in the nature of interest from banks, banking cooperative society, deposit with post office upto Rs 40,000/-. Earlier this limit was Rs 10,000.

Ceiling Limit of TDS u/s 194I has increased from Rs 180000 to Rs 240000/-

No tax shall be required to be deducted on Rent payments made for use of any land or building or furniture or fittings incase the aggregate of such rental income do not exceed Rs 2,40,000/- pa. Earlier this limit was Rs 1,80,000/- p.a.

Capital tax Benefit u/s 54 has increased from investment in one residential house to two residential houses.

Presently an assessee being an individual or a HUF is entitled to claim of deduction as regards Long term capital gains arising from transfer of a residential house property provided such capital gains are invested in 'One residential House property'.

The above restriction of one residential house property is proposed to be extended to two residential properties, subject to the following conditions: –

- a. The overall **long term capital gains** do not exceed Rs. 2 crores &
- b. This deduction shall not be available to the assessee subsequently for the same or any other assessment year [ie this option shall be once in a life time deduction].

Thus the benefit of the above amendment shall not be available in the following cases:

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- a. Where the long term capital gains exceed Rs.2 crore. In that case, an assessee can still claim deduction by making investment in only one residential House property exceeding Rs. 2 crores.
 - b. Where the long term capital gains exceeds Rs.2 crore and the assessee has invested such LTCG in two properties then in such a case, an assessee cannot claim deduction upto Rs.2 crores.

Benefit u/s 80IB - 80-IBA has increased to one more year i.e. 2020

Presently the property consisting of any building or land appurtenant thereto which is held as stock in trade and such property is not let out then the annual value of such property for the period upto one year from the end of the F.Y in which certificate of completion of construction of the property is obtained is not taken to be deemed to be let out.

The relevant provisions were inserted by Finance act 2017 w.e.f A .Y 2018-19.

The reference of the period of one year is sought to be substituted/extended by two years which means that hence forth the unsold stock in trade consisting of building or land appurtenant thereto and which is not let out for the period upto two year from the end of the F.Y in which certificate of completion of construction of the property is obtained shall not taken be deemed to be let out.

The deadline for specified housing projects for exemption u/s 80-IBA is proposed to be extended to 31 March 2020 from the existing deadline of 31 March 2019.

Interest on capital borrowed for acquisition / construction of two self occupied House properties (earlier the same was available only as regards to one self occupied property) shall now be admissible as deduction, subject to the existing overall ceiling of Rs 2,00,000 p.a.

2 % Interest relief for MSME GST registered person

F.No. E. 7(03)/2018-Pt.
Ministry of Micro, Small and Medium Enterprises
Govt. of India

Dated : 5th December, 2018
Nirman Bhavan, New Delhi

Office Memorandum

Subject : Notification of Operational Guidelines for
Implementing the "Interest Subvention Scheme
for MSMEs, 2018".

The undersigned is directed to refer to the announcements made by Hon'ble Prime Minister on 2nd November, 2018 on support and outreach for MSMEs. As a part of the initiative, an "Interest Subvention Scheme for MSMEs" was accorded approval by the competent authority.

The operational guidelines for the said Scheme are hereby notified with the concurrence of IFW, DFS and the approval of the competent authority.


(Anshuman Mohanty)
Director
Tel. 23061197

Enclosed : Guidelines

Copy to :

- i. Secretary, Deptt. of Financial Services
- ii. Additional Secretary (Shri Tarun Bajaj), PMO
- iii. Additional Secretary (Shri Aramane Giridhar), Cab. Secretariat
- iv. CMD, SIDBI

Tax free Gratuity limit increase to 20 Lakhs from 10 Lakhs**Customs Duty on 36 Capital Goods items abolished**