

Nitin Bhuta & Co.
Chartered Accountants

01/02/2024

Direct Tax Amendments proposed by Finance Bill 2024

- ✓ No change in Minimum threshold limits of Income Tax Exemptions prescribed under old Income Tax Regime as well as new Tax regime;
- ✓ No change in surcharge slabs as compared to earlier previous year.
- ✓ No changes in Marginal relief in the cases where surcharge is proposed to levied as compared to earlier previous years.
- ✓ No change in Health & Education Cess which is maintained at 4% for all categories of Tax payers;
- ✓ No changes in Corporate Tax Rates, Firms/LLP Tax Rates or Co-operative society tax rates as compared to earlier years.
- ✓ No changes in Tax Rates for Companies, Firms and Co-operative Societies other than specified in specific sections (like section 115BAA or section 115BAB for domestic companies, 115BAC for individual/HUF and 115BAD for cooperative societies)

Start Ups u/s 80IAC

- ✓ Time limit for carrying forward and setting off of losses is increased from “7 years “to “10 Years u/s 79 (1) only for eligible startups.
- ✓ In all other cases, old provisions of Section 79 continue without any changes.

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- ✓ Time limit is further extended for eligible startups for exemption u/s 80IAC from existing 1.4.2024 to 1.4.2025.

Tax Incentives to International Financial Services Centre

- ✓ Tax incentives time limit is further extended for IFSC u/s 80LA from existing 1.4.2024 to 1.4.2025.
- ✓ Consequentially exemptions under section 10 viz. u/s 10(4D)- income on transfer of assets on Recognized Stock exchanges in IFSC, u/s 10(4F) – Royalty or interest payments Aircraft or Ship leasing operators in IFSC read with Section 80LA & u/s 10 (23FE) – AIF income read with Section 80IA is further extended from 01.04.2024 to 01.04.2025.
- ✓ Further, in order to promote IFSC, several circulars and notifications are issued from time to time too by the CBDT and Ministry of Finance. Readers may keep track of them to get themselves updated.

Reference to Transfer Pricing Officer u/s 92CA

- ✓ Time limit for the incorporation of Faceless Scheme for Reference to Transfer Pricing Officer u/s 92CA is further extended from existing 1.4.2024 to 1.4.2025 to harness the greater efficiency, Transparency and accountability by using technology in the optimum manner.

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Faceless Scheme for Dispute Resolution Panel u/s 144C

- ✓ Time limit for the incorporation of Faceless Scheme for Dispute Resolution Panel u/s 144C is further extended from existing 1.4.2024 to 1.4.2025 to harness the greater efficiency, Transparency and accountability by using technology in the optimum manner.

Faceless Scheme for Income Tax Appellate Tribunal u/s 253

- ✓ Time limit for the incorporation of Faceless Scheme for Income Tax Appellate Tribunal u/s 253 is further extended from existing 1.4.2024 to 1.4.2025 to harness the greater efficiency, Transparency and accountability by using technology in the optimum manner.
- ✓ Thus, consequentially time limit for procedure of Appellate Tribunal u/s 255 is also further extended from existing 1.4.2024 to 1.4.2025 to harness the greater efficiency, Transparency and accountability by using technology in the optimum manner.

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Tax Demands outstanding withdrawals Proposals

Sr No	Particulars	Amount (Rs.)
1	Tax demands outstanding from 1962 up to 2009.10	Rs.25,000/-
2	Tax demands outstanding 2010-11 to 2014-15	Rs.10,000/-

Readers, please note that reference has been provided in the Finance Ministers Speech but no reference has been stated in Chapter III – Direct Tax Proposals of Finance Bill 2024 which pertains to petty non verified non reconciled or disputed direct tax demands. In my understanding, such demands would be automatically dropped without any application to be filed u/s 154 by the assessee(assumed)

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TCS Rates u/s 206C (1G)

CBDT Circular No. 10/2023 dated 30th June, 2023(Regularised)

- ✓ No changes in TCS rates at all introduced by Finance Bill 2024. Only pending corrections of the Finance Bill 2023 are ratified in the Act.
- ✓ For clarifications, various scenarios are tabulated below:

Sr No	Scenarios	Value Limits	Rate of TCS
1	Regular Foreign remittance under LRS (Other than overseas tour program package, Remittance from Education loan, remittance for education and medical treatment)	Up to Rs. 7 Lakhs	NIL
2	Overseas Tour Programs	Up to Rs. 7 Lakhs	5%
3	Overseas Tour Programs	Above Rs. 7 Lakhs	20%
4	Payments disbursed through Education Loan on amount in excess of Rs. 7 Lakhs	Above Rs. 7 Lakhs	0.5%
5	Payment for education (other than Education Loan) and for medical treatment	Above Rs. 7 Lakhs	5%
6	Payments covered under LRS (other than Education / Medical treatment)	Above Rs. 7 Lakhs	20%

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Tax Slabs (old schema)- Individuals – Taxable Income up to Rs.5 Lakhs

New Income Limits	Tax Rate	Tax	Old Income Limits	Tax Rate	Tax
Up to Rs.250000/-	NIL	NIL	Up to Rs.250000/-	NIL	NIL
Rs.250001/- to Rs.500000/-	NIL	NIL	Rs.250001/- to Rs.500000/-	5%	Rs.12500/-
Rs.500001/- to Rs.1000000/-	20%	20% in excess of Rs.5 Lakhs	Rs.500001/- to Rs.1000000/-	20%	Rs.12500/- plus 20% in excess of Rs.5 Lakhs
Above Rs.1000000/-	30%	Rs.100000/- plus 30% in excess of Rs.10 Lakhs	Above Rs.1000000/-	30%	Rs.112500/- plus 30% in excess of Rs.10 Lakhs

Tax Slabs (old Schema) – Individuals – Taxable Income above Rs.5 Lakhs

New Income Limits	Tax Rate	Tax	Old Income Limits	Tax Rate	Tax
Up to Rs.250000/-	NIL	NIL	Up to Rs.250000/-	NIL	NIL
Rs.250001/- to Rs.500000/-	5%	Rs.12500/-	Rs.250001/- to Rs.500000/-	5%	Rs.12500/-
Rs.500001/- to Rs.1000000/-	20%	Rs.12500/- plus 20% in excess of Rs.5 Lakhs	Rs.500001/- to Rs.1000000/-	20%	Rs.12500/- plus 20% in excess of Rs.5 Lakhs
Above Rs.1000000/-	30%	Rs.112500/- plus 30% in excess of Rs.10 Lakhs	Above Rs.1000000/-	30%	Rs.112500/- plus 30% in excess of Rs.10 Lakhs

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Tax Slabs (old schema) – Women Assessee below 60 years

New Income Limits	Tax Rate	Tax	Old Income Limits	Tax Rate	Tax
Up to Rs.250000/-	NIL	NIL	Up to Rs.250000/-	NIL	NIL
Rs.250001/- to Rs.500000/-	5%	Rs.12500/-	Rs.250001/- to Rs.500000/-	5%	Rs.12500/-
Rs.500001/- to Rs.1000000/-	20%	Rs.12500/- plus 20% in excess of Rs.5 Lakhs	Rs.500001/- to Rs.1000000/-	20%	Rs.12500/- plus 20% in excess of Rs.5 Lakhs
Above Rs.1000000/-	30%	Rs.112500/- plus 30% in excess of Rs.10 Lakhs	Above Rs.1000000/-	30%	Rs.112500/- plus 30% in excess of Rs.10 Lakhs

Tax Slabs (old schema) – Senior Individual Citizens above 60 years

New Income Limits	Tax Rate	Tax	Old Income Limits	Tax Rate	Tax
Up to Rs.300000/-	NIL	NIL	Up to Rs.300000/-	NIL	NIL
Rs.300001/- to Rs.500000/-	5%	Rs.10000/-	Rs.300001/- to Rs.500000/-	5%	Rs.10000/-
Rs.500001/- to Rs.1000000/-	20%	Rs.10000/- plus 20% in excess of Rs.5 Lakhs	Rs.500001/- to Rs.1000000/-	20%	Rs.10000/- plus 20% in excess of Rs.5 Lakhs
Above Rs.1000000/-	30%	Rs.110000/- plus 30% in excess of Rs.10Lakhs	Above Rs.1000000/-	30%	Rs.110000/- plus 30% in excess of Rs.10Lakhs

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Tax Slabs (old schema) – Senior Individual Citizens above 80 years

New Income Limits	Tax Rate	Tax	Old Income Limits	Tax Rate	Tax
Up to Rs.500000/-	NIL	NIL	Up to Rs.500000/-	NIL	NIL
Rs.500001/- to Rs.1000000/-	20%	20% in excess of Rs.5 Lakhs	Rs.500001/- to Rs.1000000/-	20%	20% in excess of Rs.5 Lakhs
Above Rs.1000000/-	30%	Rs.100000/- plus 30% in excess of Rs.10 Lakhs	Above Rs.1000000/-	30%	Rs.100000/- plus 30% in excess of Rs.10 Lakhs

Note:

When Income exceeds Rs. 50 Lakhs but less than One Crore additional surcharge @ 10% is payable on Total Tax Payable by all the category of the Assessee

When Income exceeds Rs. 1 (One) Crore but less than Rs.2 crores then additional surcharge @ 15% of such tax payable by all the category of the Assessee

When Income exceeds Rs. 2 Crores but less than Rs.5 crores then additional surcharge @ 25% of such tax payable by all the category of the Assessee

When Income exceeds Rs. 5 Crores then additional surcharge @ 37% of such tax payable by all the category of the Assessee

Surcharge arising on account of Dividend Income Tax as well as Capital Gains Tax u/s 111A or u/s 112A is capped at 15%.

Note: Additional 4% cess payable in respect of all categories.

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New Tax Slabs (New schema by default if not opted out on or before the time limits specified u/s 139(1) of the Income Tax Act 1961) – Individuals – Taxable Income above Rs.7 Lakhs up from AY 24/25

New Income Limits	Tax Rate	Tax
Up to Rs.300000/-	NIL	NIL
Rs.300001/- to Rs.600000/-	5%	Rs.15000/-
Rs.600001/- to Rs.900000/-	10%	Rs.15000 plus 10% in excess of Rs.6 Lakhs
Rs.900001/- to Rs.1200000/-	15%	Rs.45000 plus 15% in excess of Rs.9 Lakhs
Rs.1200001/- to Rs.1500000/-	20%	Rs.90000 plus 20% in excess of Rs.12 Lakhs
Above Rs.15 Lakhs	30%	Rs.150000 plus 30% in excess of Rs.15 Lakhs

Note:

When Income exceeds Rs. 50 Lakhs but less than One Crore additional surcharge @ 10% is payable on Total Tax Payable by all the category of the Assessee

When Income exceeds Rs. 1 (One) Crore but less than Rs.2 crores then additional surcharge @ 15% of such tax payable by all the category of the Assessee

When Income exceeds Rs. 2 Crores but less than Rs.5 crores then additional surcharge @ 25% of such tax payable by all the category of the Assessee

When Income exceeds Rs. 5 Crores, then additional surcharge @ 25% of such tax is payable by all the categories of the specified assessees under new tax regime only

Surcharge arising on account of Dividend Income Tax as well as Capital Gains Tax u/s 111A or u/s 112A is capped at 15%.

Note: Additional 4% cess payable in respect of all categories.

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Disadvantages of opting for new schema of Taxation except Deduction with respect to amount deposited in Agniveer Corpus Fund

- 1. All Exemptions eligible u/s Chapter XVII-B viz. 80C, 80D, 80G, 80TTA etc. All would need to be given up.***
- 2. For Salaried employee, House Rent Allowance, LTA, Education allowance etc. all has to be given up completely but such an employee can claim standard deduction of Rs.50000/-.***
- 3. For Pensioners, deduction available u/s 56 amounting to Rs.15000/- is allowed which was not allowed earlier***
- 4. In respect of House Property Income, benefit of interest on monies borrowed for purchase of such property would need to be given up.***
- 5. In case of business enterprises or professionals or entrepreneurs, deduction available u/s section 32, 32AB, 35AB etc. would need to be given up.***

Thus, considering above, whether to opt for new schema of taxation or not is a proposition that the Assessee needs to prudently evaluate - whether it is beneficial or not.

Note: All readers are requested intelligently to read & study the provisions on this publication. We have tried to compile the information to the best of our ability and understanding. Suggestions to improve the publication is always welcome with folded hands. This information has been shared only for educational purposes for the benefit of all.

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