



Amcon
Anand Mehta & Co.
(CONSULTANTS) PRIVATE LIMITED

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27th February, 2010

Personal taxation

- The basic exemption limit for individual tax payers is increased to Rs.1,60,000/-. The subsequent slab rates are also modified as under:-

Income from Rs. 1,60,001 to Rs.5,00,000	10 %
Income from Rs. 5,00,001 to Rs.8,00,000	20 %
Income above Rs. 8,00,000	30 %
- The basic exemption limit for individual being Women is increased to Rs.1,90,000/- and in case of Senior Citizens to Rs.2,40,000/-.
- The Deduction of an amount of Rs.20,000/- is allowed over and above the existing limit of Rs.1 Lakh u/s 80C for investment in long term infrastructure bonds as notified by the Central Government.

Business Deductions

- In order to boost the Research and Development activities, weightage deduction on expenditure incurred on in-house R & D facility is enhanced from 150% to 200%.
- Similarly, weightage deduction on payment to National Laboratories, Research Associations, Colleges, Universities and other Institutions for scientific research is also enhanced from 125% to 175%.
- The disallowance of expenses on account of lay payment to TDS was a common phenomenon with several business assesseees. In order to streamline the said provisions u/s 40(a)(ia), it is now proposed that no disallowance will be made if TDS payable on the expenses incurred during the year is paid before the due date of filing of return. However, the interest on TDS not deposited by the specified date is proposed to be increased from 12% to 18%.

Amendments relevant to construction industry.



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- As a measure of one time interim relief to the developers of housing and real estate, the housing projects approved after 01.04.2005 are allowed to be completed within 5 years from the year in which they are approved, instead of earlier limit of 4 years.
- The current norms for built up area of Shops and other commercial establishments, in housing projects are also modified from existing “5% of the built-up area or 2000 sq. ft whichever is less” to “3% of the built-up area or 5000 sq. ft whichever is higher”.
- The limit for carrying out tax audit u/s 44AB is increased from Rs.40,00,000/- to Rs.60,00,000/- for businessmen and from Rs.10,00,000/- to Rs.15,00,000/- for professionals.

Charitable activities

- The activity in the nature of trade, commerce or business is proposed to be considered to be an activity for advancement of general public utility if the receipts from such activities do not exceed Rs.10 lakhs per annum.

Others

- In order to boost the newly introduced concept of limited liability partnership, the transfer of assets as a result of conversion from small companies to LLP is exempted from capital gains.
- A surcharge rate of domestic companies is reduced from 10 % to 7.5 %.
- Rate of Minimum Alternate Tax (MAT) is increased from 15 % to 18 % of the book profits.