



IMPACT of the FINANCE BILL 2019

This is a gist of some of the key amendments proposed in the Finance Bill 2019.
We recommend that you seek suitable professional advice before acting on them.

These Amendments apply to income earned after 1st April 2019.

“On behalf of all the people of India and our Government, I would first like to thank all our taxpayers for their valuable contribution to nation building and for providing a better life to the poor and marginalized sections of society. Your tax helps provide dignity to our sisters and mothers with toilets and cooking gas connections. Your tax pays for the electricity connections to the poor who lived in darkness for generations. The tax you pay will provide health care to 50 crore brothers and sisters, and children. It is you who is ensuring respect, dignity, and a secure future to our retired jawans through One Rank One Pension. Thank you, taxpayers.” Extract from the Budget Speech 2019. **BE PROUD TO BE A TAX PAYER**

On Personal Taxes

No change proposed in tax rates.

100% tax rebate for taxable income of upto Rs. 500,000 (earlier Rs. 350,000) – subject to a maximum rebate of Rs. 12,500 (earlier Rs. 2500).

What it means:

An individual who earns taxable income of upto Rs. 500,000 will not have to pay any tax – the tax on such income would be Rs. 12,500 and he will get a 100% tax rebate of Rs. 12,500.

Those earning taxable income above Rs. 5 lakhs get no benefit of this tax rebate. The Slab of 5% tax from Rs. 250,001 – 500,000 continues.

Standard Deduction on Salary – increased to Rs. 50,000 (earlier Rs. 40,000).

TDS on Interest u/s 194A - will **not** be done on interest upto Rs. 40,000 (earlier upto Rs. 10,000) paid by a Bank, a Banking Co-operative Society or by the Post Office.

TDS on Rent will not be done for rent upto Rs. 240,000 per annum (earlier upto Rs. 180,000 per annum)

For Property Owners

No **Notional Rental Income** will be taxed for upto 2 **self-occupied** residential properties (earlier exemption was for only 1 property).

If an assessee **sells a residential property** and the capital gains does not exceed Rs. 2 crores, the assessee can claim a deduction u/s 54 for reinvestment of capital gains by purchase / construction of 2 residential properties in India (earlier only one house could be purchased) – provided such option can be exercised only once in the lifetime of the assessee.

On Real Estate Business

For property held as stock in trade but not rented out, **notional rental income** on such unsold property will apply after a period of 2 years from the end of the year when the completion certificate is received (earlier one year).

The tax benefit for developers of affordable housing projects will be available if the project is approved before 31st March 2020 (instead of 31st March 2019).

February 1st 2019`

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