

Interim Budget 2019: Direct Tax Snapshot

- **Increase in rebate u/s 87A**
Limit for rebate u/s 87A has been increased from ₹ 350,000 to ₹ 500,000. Hence, Individual who is resident in India may is not required to pay Income Tax up to ₹ 500,000.
- **Increase in standard deduction**
Standard tax deduction for salaried persons raised from ₹ 40,000 to ₹ 50,000
- **Increase in threshold for TDS on Rental Income**
TDS threshold on rental income has been increased from ₹ 180,000 to ₹ 240,000.
- **No deemed taxability up to two houses**
No taxability on deemed basis under the head "house property" even if an assessee has two self-occupied houses
- **Increase in threshold limit on interest income**
Threshold limit for TDS on interest income increased from ₹ 10,000 to ₹ 40,000.
- **Increase in direct tax collection**
Direct tax collection has increased from ₹ 6.38 lac crore to ₹ 12 lac crores
- **Lesser scrutiny**
99.54% income-tax returns accepted as having been filed without any scrutiny
- **Extension of time limit for approval of housing project to claim deduction under section 80-IBA**
It is now proposed to extend the time limit for approval of the housing projects by one year i.e. till from March 31, 2019 to March 31, 2020.
- **Section 54 benefit will be available in respect of 2 houses**
The Finance Bill, 2019 proposes to extend the exemption for investment made, by way of purchase or construction, in two residential houses provided the amount of capital gains does not exceed Rs. 2 crores. If the assessee exercises this option, he shall not be subsequently entitled to exercise the option for the same or any other assessment year i.e. the assessee can exercise this option only once in a lifetime.
- **₹ 6,000 to Farmers for spending**
Farmers owning land up to 2 hectares to get ₹ 6000 per annum under PM Kissan Yojna and 75000 crore per year to be spent on PM Kisan Yojna.
- **Pension of ₹ 3,000 to persons working in unorganized sector**
Persons working in unorganised sector and having income upto ₹ 15,000 per month will get pension of ₹ 3,000 per month under Pradhan Mantri Shram Yogi Maandhan Yojana.
- **Subvention to farmers affected by natural calamities**
Farmers severely affected by natural calamities will get 2% interest subvention and additional 3% interest subvention on timely repayment of loan.
- **Custom Duty abolished on 36 Capital Goods**
To promote "Make in India", the Finance Bill, 2019 rationalizes custom duty and procedures. The Custom Duty has been abolished on 36 Capital Goods

