

**INCOME-TAX APPLICABLE FOR THE Financial Year 2024-2025 (Asst. Year 2025-2026)**

**Section 115BAC - Introduced in the Finance Bill, 2023.**

The New Tax Regime introduced in the year 2020 is the default Tax system from the F.Y.2023-24 onwards.

The following TAX RATES are applicable to all the individuals for the F.Y. 2024-25.

Option available to choose the Old Tax Regime till due date of filing of Return of Income and must file Form 10-IEA before the due date of filing ITR.

**NEW TAX REGIME**

Annual Income	% of tax	Tax applicable
Upto Rs. 3 lakh of income	Nil	Rs. Nil
Above Rs. 3 lakh to Rs. 7 lakh	5%	Rs.20,000
Above Rs. 7 lakh to Rs. 10 lakh	10%	Rs.20,000 + 10% of the amount
Above Rs. 10 lakh to Rs. 12 lakh	15%	Rs.50,000 + 15% of the amount
Above Rs. 12 lakh to Rs. 15 lakh	20%	Rs.80,000 + 20% of the amount
Above Rs.15 lakh and above	30%	Rs.1,40,000 plus as per income

Health & Edn. Cell @ 4% applicable on total tax payable.

If the total taxable income is Rs.7,00,000/- or less, a rebate u/s 87A is available for the total tax payable. The tax rebate available u/s 87A is Rs.25,000/-.

Total taxable income means = Gross total Income minus Standard Deduction Rs.75,000/-

Hence there is no need to pay tax upto taxable income of Rs.7,00,000/-.

However Government allows Marginal Relief also whenever your total income slightly exceeds by Rs.7,00,000/-

**EXAMPLE ... 1**

For example your total income is Rs.8,25,000  
 Less : Standard Deduction      Rs. 75,000  
    Rs.7,50,000      Tax on Rs.7,50,000 is Rs.25,000/-

Prepared by

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**EXAMPLE ... 2**

For example your total income is Rs.7,75,000  
 Less : Standard Deduction Rs. 75,000  
 Rs.7,00,000 Tax on Rs.7,00,000 is Rs.20,000/-  
 Less : Rebate available u/s 87A upto Rs.7,00,000/- ..... Rs.25,000/-  
 Hence the tax payable is Rs. NIL

In the 1<sup>st</sup> Example the assessee is paying Rs.25,000/- tax as his taxable income exceeds Rs.7,00,000/-

In the 2<sup>nd</sup> Example the assessee is paying Rs.NIL/- just because of his taxable income is at Rs.7,00,000/- he got relief u/s 87A.

In this situation you can get marginal relief as detailed below :-

MARGINAL RELIEF = YOUR TAX LIABILITY – INCOME OVER Rs.7,00,000/-

Total taxable Income as per 1<sup>st</sup> Example is Rs.7,50,000/-

Tax Liability is Rs.25,000/-

MARGINAL RELIEF = Rs.25,000 - Rs.50,000 - = (-) Rs.25,000/-  
 Hence no marginal relief

**Another Example**

For example your total income is Rs.7,95,000  
 Less : Standard Deduction Rs. 75,000  
 Rs.7,20,000 Tax on Rs.7,25,000 is Rs.21,000/-

MARGINAL RELIEF = YOUR TAX LIABILITY – INCOME OVER Rs.7,00,000/-

MARGINAL RELIEF = Rs.21,000 – Rs.20,000 = Rs.1,000/-

Now he can pay Rs.21,000 – Rs.1,000 = Rs.20,000/- tax liability after Marginal Relief

Another Tax Calculation for Rs.15,00,000/-

Total Income ..... Rs.15,00,000

Less : Standard Deduction .... Rs. 75,000

Total Taxable income ...Rs.14,25,000

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Annual Income	% of tax	Tax applicable
Upto Rs. 3 lakh of income	Nil	Rs. Nil
Above Rs. 3 lakh to Rs. 7 lakh	5%	Rs.20,000
Above Rs. 7 lakh to Rs. 10 lakh	10%	Rs.20,000 + Rs.3,00,000 x 10% Rs.20,000 + Rs.30,000 = Rs.50,000/-
Above Rs. 10 lakh to Rs. 12 lakh	15%	Rs.50,000 + Rs.2,00,000 x 15% Rs.50,000 + Rs.30,000 = Rs.80,000/-
Above Rs. 12 lakh to Rs. 15 lakh	20%	Rs.80,000 + Rs.3,00,000 x 20% Rs.80,000 + Rs.60,000 = Rs.1,40,000/-

Hence the total tax upto Rs.15,00,000/- is	Rs.1,40,000/-
Less : Rebate u/s 87A .....	Not applicable
Tax payable .....	Rs.1,40,000/-
Add : H & EC @ 4% .....	Rs. 5,600/-
Tax payable .....	Rs. 1,45,600/-

From your gross total income only the following deductions will be allowed.

Allowed Deductions :

S.No.	Allowable deduction	Amount	Under Section
1	Standard Deduction – for salaried employees/Pensioners	Rs.75,000/-	16 (ia)
2	Standard Deduction for Family pensioners (Family Pension)- Pension paid to the wife or family member after the death of the pensioner	Rs.25,000/- or 33 1/3 % of the pension received Whichever is less	57(ia)
3	Employer contribution to National Pension System - NPS	14% for Central & State Govt. employees  10% for Other employees	80 CCD (2)
4	Amount deposited under Agniveer Corpus Fund	100% of the amount	80CCH

Deductions not available under New Tax Regime : -

- i) Leave Travel Concession [u/s 10(5)]
- ii) House Rent Allowance [u/s 10(13A)]

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- iii) Entertainment Allowance Deduction [u/s 16(ii)]
- iv) Professional Tax Deduction [u/s 16(iii)]
- xi) Interest paid on Home Loan [u/s 24(b)]....  
Only for the let out property

that is to say the deductions previously available under Section 80C to 80U are not available now except Employer's Contribution to NPS u/s 80CCD(2) and Agniveer Corpus Fund u/s 80CCH etc.

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### **Section 194P ....w.e.f. 01.04.2021 -----Who is Sr.Citizen/Super Sr.Citizen**

Those attained 75 years of age and their source of income is Pension and interest only ---- No need to file "Income-tax Return"

If a citizen attains 60<sup>th</sup> year during the Financial Year. He is a Senior Citizen for that Financial Year.

If a citizen attains 80<sup>th</sup> year during the Financial Year .. He is a Super Senior Citizen for that Financial Year.

**TAX on GPF Contribution** ..... Section 10(11) and 10(12) of IT. Act, 1961  
Rule 9D of Income-tax Rules, 1962.

The maximum non-taxable limit is Rs.5,00,000/- for Government Employees and Rs.2,50,000/- for Non-Government employees.

For example if a Government employee, for the F.Y. 2024-25, is contributing Rs.55,000/- per month, the total contributions for that year is Rs.6,60,000/- (Rs.55,000/- x 12 Months). The non-taxable limit is Rs.5,00,000/-. The interest earned on Rs.1,60,000/- is taxable.

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## OLD TAX REGIME

**OLD TAX REGIME – Optional - can be opted for the F.Y.2024-25**

**INCOME-TAX RATE CHART FOR THE FINANCIAL YEAR 2024-25 (Asst. Year 2025-2026)**

### **For Individuals & Women**

TOTAL INCOME SLAB	RATE OF INCOME-TAX	SUR-CHARGE	Health & Edn. Cess
Upto Rs.2,50,000	Nil	Nil	Nil
Rs.2,50,001 to Rs.5,00,000	5%	Nil	4%
Rs.5,00,000 to Rs.10,00,000	Rs.12500 + 20%	Nil	4%
Rs.10,00,001 to Rs.50,00,000	Rs.1,12,500 + 30%	Nil	4%
Rs.50 Lakhs to Rs. 1 Crore	Rs.13,12,500 + 30%	10%	4%
Rs.1 Crore to Rs.2 Crore	Rs.28,12,500 + 30%	15%	4%
Rs.2 Crore to Rs.5 Crore	Rs.58,12,500/- + 30%	25%	4%
Exceeding Rs.5 Crore	Rs.1,48,12,500/-+ 30%	37%	4%

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**For resident Senior Citizens (60 Years and above)**

If a citizen attains 60<sup>th</sup> year during the Financial Year. He is a Senior Citizen for that Financial Year.

TOTAL INCOME SLAB	RATE OF INCOME TAX	SUR-CHARGE	Health & Edn. Cess
Upto Rs.3,00,000	Nil	Nil	Nil
Rs.3,00,001 to Rs.5,00,000	5%	Nil	4%
Rs.5,00,000 to Rs.10,00,000	Rs.10000 + 20%	Nil	4%
Rs.10,00,001 and above	Rs.1,10,000 + 30%	Nil	4%

**For Sr. Citizens..... for Income upto Rs.3,00,000/- ..... There is no tax**

**For resident Super Senior Citizens (80 Years and above)** If a citizen attains 80<sup>th</sup> year during the Financial Year .. He is a Super Senior Citizen for that Financial Year.

TOTAL INCOME SLAB	RATE OF INCOME TAX	SURCHARGE	Health &Edn.Cess
Upto Rs.5,00,000	Nil	Nil	Nil
Rs.5,00,000 to Rs.10,00,000	20%	Nil	4%
Rs.10,00,001 and above	Rs.1,00,000 + 30%	Nil	4%

**For Super Senior Citizen -- for Income upto Rs.5,00,000/- There is no tax**

**For any one, If the total taxable income does not exceed Rs.5,00,000/- (i.e. after claiming allowable deductions including Section 80), 100% tax or Rs.12,500/-whichever is less can be claimed as rebate u/s 87A. (No tax payable on a total income upto Rs.5,00,000/-).**

**Allowable deductions from Gross Salary under OLD TAX REGIME :**

1. Under Section 16 (ia) of I.T.Act, 1961 .... Standard Deduction of Rs.50,000/-
2. Under Section 16 (iii) of I.T. Act, 1961 .... Professional Tax paid

3. House Rent Allowance (H.R.A.) .....as per calculation under Section 10(13A)- Section 10 (13A).....House Rent Allowance

Least of the following is exempted.

1. Actual House Rent Allowance received
2. Rent paid in excess of 1/10<sup>th</sup> of salary
3. 50 % of Salary...for cities Delhi/Mumbai/Kolkata/Chennai  
40% of salary ...for any other place

**Those who are not in receipt of H.R.A. can claim deduction upto Rs.5,000/- p.m. for rent paid. u/s 80 GG.**

Salary means Pay + D.A.

For claiming H.R.A., one has to produce the rent receipt

Employees drawing H.R.A. upto Rs.3,000/- are exempted from producing rent receipts.

If the rent paid exceeds Rs.1 Lakh per annum, for claiming H.R.A. deduction, one has to produce the PAN number and address of the Owner of the house.

If any one is paying rent, more than Rs.50,000/- p.m., has to deduct income-tax @ 5% from the rent and to pay the remaining to the owner of the house. The amount so deducted must be paid into the Central Government A/c immediately. No need to obtain TAN Number for rent purpose. (Section ..194IB). TDS made can be remitted into Government Account with PAN Number of the Owner of the Property by filling a challan available in IT Portal.

If the Government Employee is staying in the city where his own house is situated, the total HRA drawn is taxable. It is immaterial whether he is staying in that house or not.

**DEDUCTIONS UNDER SECTION 80**

**Deduction u/s 80 C ....** An individual can save up to Rs.1,50,000/- in any of the plans mentioned viz.. deposits in GPF/LIC/Housing Loan Principle/Tuition fee paid/Fee paid for Registration

**Deduction u/s 80 CCC - upto Rs.1,50,000/-...contribution to Annuity Plan of LIC (Jeevan Suraksha)**

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or any other Insurance Company to receive Pension.

## **New Pension Scheme**

### **I. Deduction u/s 80 CCD(1) .... 10% ...i.e. Employee's contribution** (20% in case of other employees)

**contribution by the employee to N.P.S. Scheme ... upto Rs.1,50,000/-**

The total deduction allowable is Rs.1,50,000/-(u/s 80 C or 80 CCC or 80 CCD(1))

### **II. Deduction u/s 80CCD(1B) - Notified Pension Scheme ....** **Allowable deduction Rs.50,000/-**

This is an additional contribution towards any Notified Pension Scheme. If any Officer/Official opts to the Notified Pension Scheme, the contribution made towards it can be deduction upto Rs.50,000/-

Hence Total Deduction u/s 80C + 80 CCC + 80 CCD (1) is Rs.1,50,000/-  
Deduction u/s 80CCD(1B) is Rs.50,000/- ..... Rs. 50,000/- .. Total..Rs.2,00,000/-

### **III. Deduction u/s 80 CCD(2) .... 14% ...i.e. Employer's contribution** Deduction available under New Tax Regime.

#### **Withdrawal from NPS Account**

Sec.10(12A).. Final withdrawal - upto 60% of accumulation is exempted.

Sec.10(12B).. Partial withdrawal - upto 25% of amount of contribution, is exempted.

**Deduction u/s 80D** – For Individual/HUF..... **contribution towards Medical Insurance Premiums** – Self plus family...Rs.25,000 :: Self plus family plus parents...Rs.50,000/- :: (Rs.50,000/- for Sr.Citizens)  
Preventive Health Check up for self/family restricted to Rs.5,000/-p.a.

#### **Deduction u/s 80DD – Medical Treatment/maintenance of handicapped dependents**

For Individual/HUF - upto Rs.75,000/-- (Certificate from Medical Authority be produced)

( Rs.1,25,000/- for severe disability i.e. if the disability is 80% or more )

#### **Deduction u/s 80DDB– Medical Treatment of specified disease of him self or dependent or member of a family**

For Individual/HUF - Amount actually paid or Rs.40,000/- whichever is less. (Rs.1,00,000/- for Sr.Citizens)

#### **Deduction u/s 80E** – interest paid on Education Loan availed from a Financial Institution or an approved Charitable Institutions – No Limit (Only for 8 Years)

The loan should be taken **for the higher education of Self, Spouse or Children or for a student for whom the individual is a legal guardian. It does not matter whether such education loan is taken for higher studies in India or Outside India.**

#### **Deduction u/s 80EEA** – Maximum of Rs.1,50,000/- interest paid on loan taken for a residential house property Loan availed during the period 01.04.19 to 31.03.22.

Allowed, where assessee does not own a house, and Stamp duty not to exceed Rs.45 Lakhs.

#### **Deduction u/s 80EEB** – Maximum of Rs.1,50,000/- interest paid on loan taken for purchase of a Electric Vehicle purchased during the period 01.04.2019 to 31.03.2023.

#### **Deduction u/s 80G** – Donation, if exceeding Rs.2,000/- must be made in cheque only (80G.5D).

100% exemption >>>>Donations made to PM/CM relief fund, National Defence Fund, PM Cares Fund

50 % exemption >>>>Donations made to approved charitable institutions

Donation made upto 10% of Gross total income is allowed as exemption.

#### **Deduction u/s 80GG** – U/s10 (13A) --- for an individual/self employed person, who is not in receipt of H.R.A.

House Rent paid by the employee for his residential accommodation –Rs.5,000/-p.m. However if the employee has a house in his own name, the deduction can not be claimed.....

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#### **Deduction u/s 80TTA –Only for individual and HUF..... Exempted upto Rs.10,000/-**

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interest received on Savings Bank A/cs of Bank/Post Office/Coop Societies

**Deduction u/s 80TTB – Only for Sr.Citizens..... Exempted upto Rs.50,000/-.**

Interest received on Bank/Post Office deposits.

**Deduction u/s 80 U** – A resident individual suffering from disability – Amount of deduction Rs.75,000/- (Rs.1,25,000/- for severe disability). The assessee shall furnish a certificate from Neurologist or a from a Civil Surgeon or from Chief Medical Officer in a Government Hospital.  
Disability means ... 40% or more... Severe disability means ....80% or more

**If any one owns a house and gave it on rent, the rent received must be shown as "Income from House Property".**

**If any loan availed for construction of that house, then the interest paid on that loan upto a maximum of Rs.2,00,000/- is allowed as deduction.**

**NOTE :**

1. Employee must furnish a statement in Form 12BB providing details of other income viz.. house property or claims of deduction under Chapter VIA to the employer
2. No TDS is to be deducted on disability pension to ex-servicemen.
3. Interest on borrowed capital for construction of a house under House Property Income is Rs.2,00,000/- p.a.
4. Salary for Income-tax purpose means Salary received or accrued. In case any Salary is drawn in advance, the same is taxable in the year of receipt.
5. While in service, the total E.L. Encashment and Tution Reimbursement Fee for children are totally taxable for that year.

**AT THE TIME OF RETIREMENT**

**For Govt. Employees all the benefits received at the time of retirement are tax free.**

1. Death cum Retirement Gratuity upto Rs.20,00,000/- ..... Section 10(10)
2. Commutation of Pension ..... Section 10(10A)
3. Encashment of Earned Leave at credit etc. .... Section 10(10AA)
4. Payment from Provident Fund Account ..... Section 10(11)

**FOR EMPLOYEES OF PSU & PRIVATE SECTOR EMPLOYEES**

1. Death cum Retirement Gratuity upto Rs.20,00,000/- ..... Section 10(10)
2. Commutation of Pension ..... Section 10(10A)
3. Encashment of Earned Leave at credit Rs.25,00,000/- ..... Section 10(10AA)
4. Payment from Provident Fund Account ..... Section 10(11)

**Form No. 15H : By submitting it in any Bank one can stop deducting tax on interest earned.**

**However, any one submitting Form 15H in any Bank for not deducting tax on the interest earned must have income below taxable limit. Any one having taxable income can not claim such benefit.**

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## **CAPITAL GAIN TAX ----- Section 45 of IT Tax, 1961**

Opens Plots/Land/Houses/Flats/Shares, Vehicles, Patent rights, Trade Mark etc. are called Capital Assets. Usually we purchase them at one rate and sell them for a higher rate. The price you are receiving on selling the asset is called "Sale Consideration". If the Sale Consideration is more than the purchase price, the difference of amount is your profit or gain. Then we have to pay tax on the profit or gain. Whatever the tax we are paying on selling these assets is called "Capital Gain". The rate of tax different for this. That is why this is called "Special Rate".

There are

1. Short Term Capital Gains
2. Long Term Capital Gains

### **UPTO 23.07.2024**

Property held for 12 months or less and sold ....Short Term Capital Gains.

Property held for 24 months or more and sold....Long Term Capital Gains.  
(From the F.Y.2017-18)

In case of Shares..... held for 12 months .... Short Term Capital Gains  
held for more than 12 months .... Long Term Capital Gains

The date of "sale" is always is the date of "execution of Sale Deed". So, the date of sale is the date on which the total "Sale Consideration" is received by the purchaser and the sale is executed. Registration of executed Sale Deed is different. The registration date is irrelevant for the purpose of taxation.

Sale property is different and Exchange of Property is different.

In case of Sale of Property, in turn "consideration" will be received.  
In case of Exchange of Property, One property will be transferred in exchange of another Property.

Any "gain", on account of Sale or Exchange etc. is chargeable to tax in that year only.

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Even in the case of "Compulsory acquisition of the assets" under any law for constructing Road/Bridges/Dams by any Government, one has to pay Capital Gain Tax.

Tax must be paid in the year in which transfer took place.

For example

For sale one apartment the advance was taken on 12.12.2024 (F.Y.2024-25) and the total amount was paid on 10.04.2025 (F.Y.2025-26) then tax is to be paid during the F.Y. 2025-26 only. Because the sale process is complete during the F.Y. 2025-26.

In the case of compulsory acquisition of any land by State Government or Central Government, tax must be paid in the year in which the compensation was received.

Rate of tax is different for "Short Term Capital Gain" and "Long Term Capital Gain".

Short Term Capital Gain ... If any land or building is held in your hands for a period of 24 months.  
*"Land or Building purchased on 01.01.2024 and sold in the month of December, 2024".*

Long Term Capital Gain ... If any land or building is held in your hands for more than a period of 24 months.  
*"Land or Building purchased on 01.01.2024 and sold on January, 2026".*

#### HOW TO CALCULATE upto 23.07.2024

Sale Price .....	Rs.xxxxxxx
Less : Indexed purchase price .....	Rs.xxxxxxx
Less : Indexed improvement price.....	Rs.xxxxxxx
Less : Transfer expenses like	
Brokerage/Commission .....	Rs.xxxxxxx
Capital Gain on which tax @ 20% payable .....	Rs.xxxxxxx

*Our purchase price will be calculated for today's price. That is called indexed cost of acquisition or indexed purchase price.*

*Any improvement made to the property also can be deducted with indexed price.*

*For example we have purchased a property for Rs.10,00,000/- during the year 2008 and is being sold in 2024, the price of Rs.10,00,000/- may be Rs.25,00,000/- today as per calculation. Hence our purchase price we show it as Rs.25,00,000/-*

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No Deduction under Chapter VIA will be allowed for Long Term Capital Gains.

Basic Exemption Limit will be available while calculating Capital Gains.

Short Term Capital gain will be charged by including the same in the gross total income of the assessee for that year. However in the case of shares they will be charged as per Section 111A.

Long Term Capital Gains will be charged at a flat rate of 20%.

EXEMPTED from TAX :

1. Agricultural land in rural areas. That is to say the agricultural land situated within the municipal limits is not treated as agricultural land for the purpose of taxation.
2. Transfer of assets on account of total or partial partition of H.U.F.
3. Transfer of assets under a gift.
4. Transfer of assets under a "WILL".
5. Any Capital gain on Sale or Transfer of a Residential House is exempted from tax if the same is invested in "**construction**" of another residential house within 3 years or

On "**Purchase of another house**" one year prior to sale of that house or within 2 years after the sale of that house.....Section 54

In case the amount of Capital Gain is Rs.2 Crore, the assessee may at his option purchase or construct 2 houses in India. This option can be exercised only once during the life time of the assessee.

Investment in a flat under the Self-financing scheme of the Delhi Development Authority (DDA) shall be treated as cases of construction of a house for this purpose. Flats/Houses allotted by Co-operative societies and other institutions, under schemes similar to the self-financing scheme of DDA, shall also be treated as case of construction for this purpose.

Assessee can get relief u/s 54 if he purchases a land and constructs a house on it with in the specified period of 3 years.

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LOCK IN PERIOD : assessee, who availed relief u/s 54 can not transfer the new house within a period of 3 years.

6. Sale of assets other than Residential House :- For example sale open plot etc. In this case the "net consideration" must be utilized for purchase of a residential house within one year prior to sale of the land or within 2 years after the sale of that land or construction of a residential house within 3 years of sale of land. If the total amount received on sale is not utilized, the exemption will be limited to :-

$$\frac{\text{Capital Gains} \times \text{Cost of New Residential House}}{\text{Amount of Net consideration}}$$

7. Transfer of Agricultural Land : Transfer of any land used for agricultural purposes for the past 2 years shall be exempt from tax if the assessee purchases another agricultural land within 2 years from the date of transfer. Section 54B

NOTE : The sale consideration must be received by Cheque/D.D./Online transfer only. Cash can be received upto Rs.20,000/- only.

There is no Cost of Improvement for intangible assets like "Good Will" and "right to manufacture" etc.

The assessee must utilize the Capital Gain amount or deposit the same in the Capital Gain Accounts Scheme, 1988 before filing the Return of Income for that year. Hence the assessee can not keep the money in an ordinary Savings Bank Account.

### WHAT IS THE PURCHASE PRICE IF THE PROPERTY IS RECEIVED FROM HERIDITORY OR BY GIFT

For example

1. By distribution of assets in the Joint Family
2. Transfer of property under a gift/will or by succession, inheritance.

The cost of acquisition of the property is the value for which the previous owner has paid. If the property has been acquired by the previous owner on or before 01.04.2001, the purchase value of the property is the Stamp Value as on 01.04.2001.

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General Secretary, Income-tax Employees Federation, Andhra Pradesh & Telangana

Org. Secretary, Confederation of Central Govt. Employees and Workers (All India)

## **CAPITAL GAIN TAX FROM 23.07.2024..... NEW REGIME**

Long term Capital Gain tax from the sale of immovable property sold on or after 23.07.2024 is subject to 12.5% Flat rate. No indexation available from this date.

However, any one sold the property before 23.07.2024, can pay the Capital Gain Tax as per Old regime by utilizing the indexation benefit. If the property purchased on or before 23.07.2024 and sold after 23.07.2024, the assessee has an option to pay tax under old regime or under new regime by paying Flat rate of 12.5%.

Holding period for the Property from 23.07.2024

Short Term Capital Gains

For Shares

Short term Capital Gain ... 12 Months or less

Long Term Capital Gain ... More than 12 Months

For the Property

Short term Capital Gain ... 24 Months or less

Long Term Capital Gain ... More than 24 Months

**Note :** If any one is purchasing any property of an NRI, it is the duty of the purchaser to deduct Capital Gain Tax before making payment. If the NRI fails to pay the Capital Gain Tax, the purchaser will become responsible for the same.

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## **T.D.S. (Tax Deducted at Source)**

- When to deduct TAX ?... At the time of making payment - PAN must be produced
- T.D.S. without PAN is @ 20% or applicable rate whichever is higher. TDS deducted is a Government Money. Hence be remitted into Govt. A/c within the time. Otherwise interest will be levied. In some cases prosecution will be launched.

If House Rent paid per month is Rs.50,000/- or more, T.D.S. be made on it @ 5%. Section 194I. In case PAN of the Land Lord is not available it must be @ 20%.

### **T.D.S. for foreign remittances ....Section 206CCA**

especially on sending money for Children on Educational Loan etc.  
For remittance overseas under Liberalized Remittance Scheme (LRS).....

If the foreign remittance exceeds Rs.7 lakh during the Financial Year through Authorised Banking Channel Tax will be collected @ 5% on the remittance exceeding Rs.7 Lakh.

For example if you are sending 12 Lkabs, an amount of Rs.25,000/- will be collected as Tax.

(Rs.12,00,000 – Rs.7,00,000 = Rs.5,00,000 x 5% = Rs.25,000/-)

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## **HOW TO TREAT A GIFT**

**Cash gift** : Aggregation in a Financial Year.

Aggregate total cash gifts received from different persons. If the aggregate cash gift exceeds Rs.50,000/-, then all the Cash gifts are taxable.

GIFTS NOT TAXABLE : -

1. Gifts received from any relative
2. Gifts received on the occasion of marriage of an individual from any one
3. Gifts received under a Will or by way of inheritance
4. Gifts received in contemplation of death of payer
5. from local authority as defined in Explanation to section 10(20)
6. Gifts received from employer below Rs. 5,000 in aggregate during the financial year are exempt from tax. These gifts are taxable as perquisites under the head Income from Salary.
7. Scholarship received from educational or medical institution or fund etc. referred to u/s. 10(23C)
8. Scholarship received from a trust or institution registered u/s. 12AA
9. any compensation received by any person, in connection with the termination of his employment.

**“RELATIVE”** under Income-tax Act.

1. Spouse of the individual
2. Brother or sister of the individual
3. Brother or sister of the spouse of the individual
4. Brother or sister of either of the parents of the individual
5. Any lineal ascendant or descendant of the individual
6. Any lineal ascendant or descendant of the spouse of the individual
7. Spouse of the person referred to in clauses 2 to 4

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8. In case of a Hindu undivided family, any member there of
9. Any Lineal ascendants or descendants of the individual
10. Any Lineal ascendants or descendants of the spouse of the individual.

### Comprehensive list of Donors

List of Male Donors	List of Female Donors
Father (Papa or Pitaji)	Mother (Maa or Mummy)
Brother (Bhai)	Sister (Bahin)
Son (Beta or Putra)	Daughter (Beti or Putri)
Grand Son (Pota or Potra)	Grand Daughter (Poti or Potri)
Husband (Pati)	Wife (Patni)
Sister's Husband (Jija)	Brother's Wife (Bhabhi)
Wife's Brother (Sala)	Wife's Sister (Sali)
Husband's Brother (Dewar)	Husband's Sister (Nanad)
Mother's Brother (Mama)	Mother's Sister (Mausi)
Mother's Sister Husband (Mausa)	Wife's brother's wife (Sala Heli)
Father's Brother (Chacha or Tau)	Father's Brother's Wife (Chachi or Tai)
Father's Sister's Husband(Fufa)	Father's Sister (Bua)
Grand Father (Dada, Pardada)	Grand Mother (Dadi, Pardadi)
Daughter's Husband (Jawai)	Son's Wife (Bahu or Putra Vadhu)
Spouse Father (Sasur)	Spouse Mother (Sas)
Spouse Grand Father (Dada Sasur)	Spouse Grand Mother (DadiSas)
Brother's Wife (Bhabhi)	Mother's Brother's Wife (Mami) Husband's Brother's Wife (Devrani or Jithani)

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**EXAMPLE :**

Ms. T. drawing Salary of Rs.20,000/- p.m.

Previous year 2020-21

Received the following gifts

1. Gift of Rs.5,00,000/- in April, 2020....from friend
2. Gift of jewellery...FMV Rs.3,00,000/- ... from her fiancée.
3. Gift of Rs.51,000/- each from 4 friends ... on marriage.
4. Gift of Rs.1,00,000/- in November, 2020....from mother's sister
5. Gift of Rs.60,000/- in November, 2020...from her father's brother
6. Gift of Rs.50,000/- from her husband's friend...Dec.,2020
7. Gift of Rs.21,000/- from her mother's friend...Dec.2020
8. Gift of Rs.26,000/- from her brother's father in law...Dec.2020
9. Gift of Rs.1,21,000/- from her husband's brother...Dec.2020
10. Gift of Rs.26,000/- from her employer
11. Scholarship of Rs.1,20,000/- from a Charitable Trust u/s 12AA
12. She has purchased a immovable property from B who is not his relative for a sum of Rs.24,50,000/-. The Stamp Duty of the property is Rs.26,00,000/-.
13. She purchased Bullion of Rs.4,40,000/- whose FMV is Rs.4,85,000/-.
14. Gift of immovable property from her friend whose Stamp Duty value is Rs.5,00,000/- .

\*\*\*\*\*

Working Notes :

Total amount of Cash Gifts received during the Financial Year

1. Gift of 50,000/- from her husband's friend... Dec.,2020...	Rs.50,000
2. Gift of Rs.21,000/- from her mother's friend...Dec.2020...	Rs.21,000
3. Gift of Rs.26,000/- from her brother's father in law...	<u>Rs.26,000</u>
	Rs.97,000

The total cash gift during the Financial Year exceeds Rs.50,000/-

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Hence all the three cash gifts received are taxable

**ANSWER**

Name of the assessee Ms. T  
Financial Year 2020-21  
Asst. Year 2021-22  
Status Individual

Salary Rs.20,000/- p.m. x 12 Months			2,40,000
ADD			
1	Gift of Rs.5,00,000/- in April, 2020....from friend	Taxable	5,00,000
2	Gift of jewellery...FMV Rs.3,00,000/- ... from her fiancée.	Taxable	3,00,000
3	Gift of Rs.51,000/- each from 4 frineds ... on marriage	Not taxable	---
4	Gift of Rs.1,00,000/- in November, 2020....from mother's sister	Not taxable	---
5	Gift of Rs.60,000/- in November, 2020...from her father's brother	Not taxable	---
6	Gift of 50,000/- from her husband's friend...Dec.,2020	Taxable	50,000
7	Gift of Rs.21,000/- from her mother's friend...Dec.2020	Taxable	21,000
8	Gift of Rs.26,000/- from her brother's farther in law...Dec.2020	Taxable	26,000
9	Gift of Rs.1,21,000/- from her husband's brother...Dec.2020	Not taxable	---
10	Gift of Rs.26,000/- from her employer	Taxable	26,000
11	Scholarship of Rs.1,20,000/- from a Charitable Trust u/s 12AA	Not taxable	---
12	She has purchased an immovable property from B who is not his relative for a sum of Rs.24,50,000/-. The Stamp Duty of the property is Rs.26,00,000/-	Taxable	1,50,000
13	She purchased Bullion of Rs.4,40,000/- whose FMV is Rs.4,85,000/-	Taxable	45,000
14	Gift of immovable property from her friend whose Stamp Duty value is Rs.5,00,000/-	Taxable	5,00,000
TOTAL INCOME			18,58,000

**THANK YOU**

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