

Basic Concept

Total Income = GTI - deductions (80C-80U)

UIS 2(31), person, who pays tax is

- (1) Any individual (minor or major);
- (2) HUF;
- (3) LLP / Firm;
- (4) Company;
- (5) Local Authority;
- (6) AOP / BOI
- (7) Artificial Judicial Person.

* Individual's Computation of Tax' →

Regular / old Scheme 1961 - 2023 ↓	New Tax regime U/S 115BAC. 2023 onwards. ↓
0 - 2.5 lakhs - Nil	0 - 3 lakhs - Nil
2.5 - 5 lakhs - 5%	3 - 6 lakhs - 5%
5 - 10 lakhs - 20%	6 - 9 lakhs - 10%
> 10 lakhs - 30%	9 - 12 lakhs - 15%
	12 - 15 lakhs - 20%
	> 15 lakhs - 30%

• Special incomes:-

(1) U/S. 112 A Long term capital gain
→ equity shares } upto 1 lakh exempt,
→ listed } excess shall be taxable
→ STT paid } @ 10%

(2) U/S 112 ^{other} long term capital gain.
@ 20%

(3) U/S. 111A Short term Capital gain
→ equity shares } @ 15%
→ listed }
→ STT paid }
→ Transaction entered on or after 1.10.2004

(4) U/S. 115BB Casual Income
@ 30%

(5) U/S. 115BBJ Net winnings from online games.
@ 30%

(6) U/S 115BBE Unexplained money, investment, expense
U/S. 69, 69A, 69B, 69C, 69D.
@ 60%

• Maximum surcharge on incomes U/S. 112A, 112, 111A, (115-0) Dividend.
shall be @ 15%.

★ If Nil is with SI exceeding limit of surcharge, rate of Surcharge - surcharge = 15%, if Nil itself exceeds 2 cr, then surcharge = 25% / 37% (as the case).

Old Regime	New Regime
0-50 lakhs - Nil	0-50 lakhs - Nil
50L-1 cr. - 10%	50L-1 cr. - 10%
1-2 cr. - 15%	1-2 cr. - 15%
2-5 cr. - 25%	> 2 cr. - 25%
> 5 cr. - 37%	

• **Rebate :- (Old Regime)**

U/S 87A, any person who is a resident in India, and whose total income is ≤ 5 lakhs, such person has a right to claim the benefit of rebate of 12,500/- . Such rebate can be adjusted with any income **except** Income U/S 112A.

• **Senior citizen. (Old & New)**

Indian resident, whose age is 60 years, their basic exemption shall be 3,00,000, even if such individual's 60th birthday comes on 1 April, he shall be considered as senior citizen for the P.Y. and can claim the basic exemption.

• **Super senior citizen. (Old & New)**

Indian resident, whose age is 80 years, their basic exemption shall be 5 lakhs, also same as above.*

• **Rebate :- (New Regime)**

U/S 87A, any Indian resident, whose total income is $\leq 7,00,000$ is entitled to get the benefit of 25,000 tax rebate, and the same shall not be adjusted against 112A.

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- Unexhausted basic exemption:-
 (Resident in India) can be adjusted against any special income except 115 BB.
- Deductions - can be adjusted against normal income only.
- Marginal Relief:-
 Increase in Income $<$ Increase in Tax.
- U/S 115BBE Undisclosed Income.
 - (a) Unexplained expenditure
 - (b) unexplained income
 - (c) unexplained investment
 - (d) cash credit
 - (e) hundi \leftarrow Pay borrow
 [Raid's main purpose is to find out the undisclosed income].

* Hundi is a paper we gave a person in India to get other country's currency, suppose I want to buy jewellery from Dubai, but govt. will not allow us to pick much amount of money, so we make hundi & gave him money and told a person to arrange us money in Dubai's currency so that we can buy jewellery from Dubai.

- Agricultural Income:-
 → totally exempt from Income Tax.

• Partial Integration of Agricultural Income:-

* Steps :-

- (1) Tax on Agricultural + Non-agricultural Income. → Normal income only
- (2) Tax on Agricultural + Basic exemption.
- (3) Subtract (1) - (2) → Tax Payable.

* Rules to do Integration:-

- (1) In case of Integration, benefit of rebate is to be check on the basis of non-agricultural income only.
- (2) Integration is done for Normal income only.
- (3) If non-agricultural income < basic exemption, then there is no need on integration.
- (4) If agricultural income < 5,000 → no need of integration.

* Partnership firm / LLP's Computation of Tax @ 30%.

- Special Income's rate is same as individual's rate.
- Surcharge @ 12%, if total income exceeds 1 crore.
- Marginal Relief, if TI exceeds 1 crore.
- H&C @ 4%

* Co-operative society's computation of Tax.

Income	Tax rate
0 - 10,000	10%
10,000 - 20,000	20%
More than 20,000	30%

Note →

(a) Section 115BAD:- Co-operative society, resident in India, can opt for concessional rate of tax @ 25.168% (i.e. tax @ 22% plus surcharge @ 10% irrespective of income) under Section 115BAD in respect of its TI computing without deductions u/s. 10AA, 33AB, 33ABA, 35[(ii)/(iii)] (iii), 35(2AA), 35AD, 35CCC, - additional depreciation u/s 32(1)(iii), deductions under chapter VI-A etc & set off of loss & depreciation brought forward from earlier years relating to above deductions.

(b) Section 115BAE:- New Co-operative societies commencing manufacturing activities before 31.3.2024 and registered set-up on or after 1.4.2023 will be taxable @ 15%, Surcharge - 10% irrespective of income.

* Domestic Company's Computation of Tax.

Domestic Company	Tax Rate
If the turnover / gross receipts of the Company in the PY. 2021-22 does not exceed 400 crore. [≤ 400 crore]	25%
Section 115BAA:	
Tax on income of domestic Co. computed	22%
(i) Without any deduction u/s. 10AA, additional dep. u/s 32(1)(iii), or ded. u/s 32AD, 33AB, 33ABA, 35, 35AD, 35CCC, 35CCD or ded. u/s. VI-A except u/s 80JIAA or 80M.	

Surcharge :->

- ① Co-operative Society
opting for 115 BAD / 115 BAE
@ 10%, irrespective of
income, No MR.
- ② Co-operative Society not
opting new rates -
1-10cr - 7% GMR
₹ > 10cr - 12% GMR

Co-operative
for concess
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without deductions u/s 30AA,
BAD in resp

Surcharge →

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① Domestic Co.'s opting for 115 BAA or 115 BAB - 10% also, no Marginal Relief.

② Domestic Co.'s not opting new rates: →

1 - 10 cr - 7% } MRV
> 10 cr - 12% }

* Domestic Company

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- (ii) without any setoff of loss of any earlier assessment year if such loss is attributable to deduction in point (i)
- The option once exercised shall apply to all subsequent years.

Section 115BAB:

Tax on new Domestic Manufacturing Company and electricity generating companies if -	15%
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- (a) Company setup & regt. on or after 1.10.2019.
- (b) Co. commenced manufacturing on or before 31.3.2024.
- (c) Not found by split up or reconstruction of a business already in existence.
- (d) Does not use any previously used plant.
- (e) Does not use any previously used building as hotel or convention centre.
- (f) The Co. is not engaged in any other business.
- (g) In this section, tax will be computed without giving effect to some deduction
- The option once exercised shall apply to all years.

All other Domestic Company	30%
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* Foreign Company's Computation of Tax

Tax Rate \rightarrow @ 40%

Surcharge \rightarrow

Income	Surcharge Rate
1 - 10 Crore	2%
> 10 Crore	5%

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