

CA Inter Income Tax Amendments

Revised Slab Rates for the New Tax Regime (Section 115BAC)

Revised Slab Rates for the New Tax Regime	
Total Income Slab	Tax Rate
Up to ₹4,00,000	Nil
From ₹4,00,001 to ₹8,00,000	5%
From ₹8,00,001 to ₹12,00,000	10%
From ₹12,00,001 to ₹16,00,000	15%
From ₹16,00,001 to ₹20,00,000	20%
From ₹20,00,001 to ₹24,00,000	25%
Above ₹24,00,000	30%

Tax Rebate under Section 87A:

In case of a resident individual paying tax as per Section 115BAC, rebate is allowed if total income does not exceed 12,00,000 per annum. Rebate shall be tax payable or 60,000 whichever is lower. However, no rebate is allowed on incomes taxed at special rates if assessee is paying tax under default tax regime. If assessee is paying tax under optional then rebate is allowed in respect of Section 112 or 111A but not in case of Section 112A.

Changes for "Specified Employees"

Earlier, an employee was "specified" if their monetary salary exceeded ₹50,000. This limit is now ₹4,00,000. This change affects how perquisites like company cars or education facilities are taxed.

Medical and Travel Benefits:

Travel Abroad: If an employer pays for foreign medical travel, it is exempt. However, the employee's Gross Total Income must not exceed ₹8,00,000 (previously ₹2,00,000).

PGBP: Micro or small enterprise limit changed under Section 43B:

Manufacturing Enterprise and Enterprise rendering Services:

1. Micro Enterprise – Investment in P&M does not exceed 2.5 crore and turnover does not exceed 10 crore
2. Small Enterprise – Investment in P&M does not exceed 25 crore and turnover does not exceed 100 crore.

National Pension System (NPS) - Section 80CCD

Deduction is allowed even for contribution to minor child's NPS account – NPS Vatsalya.

- The guardian must manage the account.
- The extra deduction limit under Section 80CCD(1B) is still ₹50,000.

New TDS and TCS Thresholds

Many limit thresholds have increased. This reduces the burden of deducting tax on small amounts.

Section	Nature of Payment	Old Limit (₹)	New Limit (₹)
193	Interest on Securities	5,000	10,000
194	Dividend Income	5,000	10,000
194A	Other Interest (General)	40,000	In case of payment by the bank or post office, the limit is 50,000. In case of senior citizen it is 1,00,000. In any other cases it is 10,000
194I	Rent (Monthly)	Annual > 2.4L	50,000 per month or part of the month

TCS under Section 206C(1H) has been removed. Concept of higher rate of TDS or TCS in case of non filers of Income Tax return has been removed.

TCS on Luxury Goods: A 1% TCS now applies to luxury items like wrist watches, art pieces, helicopter, pair of sunglasses, bag, purse, shoes, sportswear, golf kit, home theatre system and horse for horse racing in race club and horse for polo if the value exceeds ₹1,00,000.

Section 206C(1G): TCS rate in case of LRS/ overseas tour program:

- If amount is for purchase of overseas tour program package – 5% till 10 lakhs and thereafter 20%
- If the amount is remitted is less than 10 lakhs in a financial year then TCS is Nil
- If amount is remitted for the purpose of education or medical treatment and the amount is in excess of 10 lakhs then it is 5% on amount exceeding 10 lakhs

- If amount is remitted for any other purpose and the amount is in excess of 10 lakhs then TCS is 20% of the amount in excess of 10 lakhs.
- If the amount remitted is out of loan taken for the purpose of education and the amount is in excess of 10 lakhs then the TCS rate is Nil.

Capital Gains (Section 54EC)

You can save tax on capital gains by investing in specific bonds. Two new bonds are added:

1. HUDCO (Housing and Urban Development Corporation)
2. IREDA (Indian Renewable Energy Development Agency)

Updated Income Tax Return (Section 139(8A))

The time limit to file an "Updated Return" has increased to 48 months from the end of the relevant Assessment Year. Earlier, the limit was 24 months.

If it is filed within 12 months from the end of AY – Additional Tax payable is 25%

If it is filed after 12 months from end of AY but within 24 months – Additional Tax payable is 50%

If it is filed after 24 months from end of AY but within 36 months – Additional Tax payable is 60%

If it is filed after 36 months from end of AY but within 48 months – Additional Tax payable is 70%

CA Inter GST Amendments

Charge of GST – Section 9(5):

New point has been introduced in list of Section 9(5):

Services by way of local delivery except where the person supplying such services through electronic commerce operator is liable for registration under sub section (1) of section 22 of the Central Goods and Services Tax Act, 2017

GTA service – Rate has been changed to 5% without ITC or 18% with ITC

Renting of motor vehicle – 12% rate has been changed to 18%

Exemptions:

Services of life insurance business provided by an insurer to the insured, where the insured is not a group.

Explanation: For the removal of doubts, it is hereby clarified that:

This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual.

For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.

Services of health insurance business provided by an insurer to the insured, where the insured is not a group.

Explanation: For the removal of doubts, it is hereby clarified that:

This exemption shall apply to a contract of insurance where the insured is an individual, or an individual and family of the said individual

For the purposes of (a) above, family shall include all individuals insured as family in the contract of insurance.

Value of Supply:

When dealers receive such post-sale discounts, they may engage in promotional activities to boost sales. However, these activities ultimately enhance the sale of goods that the dealers themselves own, thereby increasing their own revenue. In this context, the discount merely reduces the sale price of the goods and is not linked to any independent service rendered to the manufacturer. Therefore, it is clarified that post-sale discounts offered by manufacturers to dealers in such cases shall not be treated as consideration for a separate transaction of supply of services.

However, GST would be leviable in cases where a dealer undertakes specific sales promotional activities, such as advertising campaigns, co-branding, customization services, special sales drives, exhibition arrangements, or customer support services, etc., only when such services are explicitly

stated in the agreement with a clearly defined consideration payable for such a supply. In such cases, the dealer provides a distinct service to the supplier, and accordingly, GST would be chargeable.

Returns:

In exercise of above powers, the Commissioner, on the recommendations of the Council, in respect of filing of annual return for the financial year 2024-25 onwards, has exempted the registered person whose aggregate turnover in any financial year is up to two crore rupees, from filing annual return that said financial year