



## **TAKEAWAY FROM THE BUDGET (INTERIM) 2019**

**Interim Budget** 2019-20 was presented in Parliament today by the Union Minister for Finance, Corporate Affairs, Railways & Coal, Shri Piyush Goyal.

An Interim Budget usually doesn't list out new schemes or doesn't unveil any policy measures. The government will present the vote on account for the next four-to-five months. A full-fledged Budget will be presented after the House reassembles after the general election.

### **Below are the major proposal made in INTIRIM BUDGET-2019:**

#### **Tax:**

- Within 2 years, Tax assessment will be done electronically.
- Individual taxpayers having taxable annual income up to Rs.5 lakhs will not be required to pay any income tax, However this doesn't means that basic exemption limit has been increased, Instead rebate under section 87A has been amended and stated as :

If the net income is upto 5.00 lakhs after all deduction then only no tax will be charged. Otherwise the last year system will be followed, for more clarity:

“If your income exceeds Rs. 5 Lakhs, you have to pay taxes for the first 5 lakhs also (i.e, 2.5 lakhs after basic exemption, which will work out to Rs.12500/-).

The same was highlighted by Piyush Goyal in his speech as well. If an individual has income of ₹925,000 and invests ₹150,000 as per Sec 80C, ₹50,000 in new pension scheme, pays medical insurance premia of ₹25,000 and has a housing loan interest of ₹200,000, still that person would not be required to pay any tax”

- For salaried persons, Standard Deduction is being raised from the current Rs.40,000 to Rs.50,000.
- IT returns processing in just 24 hours that means processing of refund will be confirmed within 24 hours.
- Exemption on levy of income tax on notional rent on a second self-occupied house is also now proposed. Currently, income tax on notional rent is payable if one has more than one self-occupied house.
- GST rates for home buyers are proposed to be reduced,
- TDS threshold on rental income raised from 1.8 lakh to 2.4 lakh
- Benefit of rollover of capital tax gains to be increased from investment in one residential house to that in two residential houses, for a taxpayer having capital gains up to 2 crore rupees; can be exercised once in a lifetime.
- Ceiling Limit of TDS u/s 194A (Interest Income) has increased from 10,000/- to 40,000/-



- Ceiling Limit of TDS u/s 194I (TDS on Rent Payment) has increased from 1,80,000/- to 2,40,000/-
- Business less than 5 Crore Turnover, will be allowed to file GST Return quarterly.
- Tax free Gratuity limit increase to 20 Lakhs from 10 Lakhs.

#### **Other Areas:**

- State share has increased to 42% in central taxes from current 32%
- Minimum 14% revenue of GST to states by Central Govt.
- PCA restriction has abolished from 3 major banks (BOI, BOM & OBC)
- Centrally funded universities to add up 2 lakhs seats will increase for the reservation of 10% quota for the economically weaker section.
- 60,000 crores has been allocated for MANREGA
- 1.7 Lakh crore has been allocated to ensure food for all project.
- 22nd AIIMS has to be opened in Haryana.
- Rs. 6,000 per annum has to be given to every farmer having upto 2 hectare land. Applicable from Sept 2018. Amount will be transferred in 3 installment.
- 2% interest subvention for farmers pursuing animal husbandry and also create separate department for fisheries.
- 2% interest subvention for farmers affected by natural calamities and additional 3% interest subvention for timely payment.
- The scheme, called Pradhan Mantri Shram Yogi Mandhan, will provide assured monthly pension of Rs. 3,000 with contribution of Rs. 100 per month for workers in unorganized sector after 60 years of age.
- GST-registered SME units will get 2% interest rebate on incremental loan of 1 Crore.
- 26 weeks of Maternity Leaves to empower the women
- More than 3 Lakhs crores for defence, which is biggest defence budget till date.

Considering the year of election and following full budget after election, Government has neither taken any tough decisions nor curb any benefit, however a high budget deficit shall effect the economy, we have to wait for full budget, which is expected in the month of June-July for an effective and actual plan of the Government for the country...