



INCOME TAX RATES F. Y. 2018-19 (A.Y. 2019-20)

A quick review (Limited Information) of the applicable Income tax Rates income tax act after incorporating amendments proposed by the Budget of 2018 are given below for ready reference and information of our clients:-

(A) RATE OF INCOME TAX FOR F. Y. 2018-19 (A.Y. 2019-20)

(i) General Category & Women

SLAB	TOTAL INCOME	Rate of Tax	TAX CALCULATOR
I	2,50,000	No Tax	NIL
II	Rs. 2,50,001 to Rs. 3,50,000	5%	Total Income – 2,50,000 x 5% = 2500
III	Rs. 3,50,001 to Rs. 5,00,000	5%	5000 + (Total Income – 3,50,000) x 5%
IV	Rs. 5,00,001 to Rs. 10,00,000	20%	12500 + (Total Income – 500000) x 20%
V	Above Rs. 10,00,000	30%	112500+(Total Income – 10,00,000) x 30%

(ii) Senior Citizen – Age 60 Years or more

SLAB	TOTAL INCOME	Rate of Tax	TAX CALCULATOR
I	2,50,000	No Tax	NIL
II	Rs. 2,50,001 to Rs. 3,50,000	5%	NIL
III	Rs. 3,50,001 to Rs. 5,00,000	5%	2,500 + (Total Income – 3,50,000) x 5%
IV	Rs. 5,00,001 to Rs. 10,00,000	20%	10,000 + (Total Income – 500000) x 20%
V	Above Rs. 10,00,000	30%	1,10,000+(Total Income – 10,00,000) x 30%

Surcharge – Total Income Up to Rs. 50 Lakhs – Nil

Total Income > 50 Lakhs < =1 Crore – 10% of Tax

Total Income > 1 Crore – 15%

Education & Health Cess – 4% of the Income Tax & Surcharge (Earlier 3%)



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Some Relevant Amendments Introduced By Budget 2018 In Income Tax Act For Individuals

Standard Deduction of Rs.40,000 introduced for all salaried employees. Now salaried class will enjoy a flat deduction of Rs. 40,000 from their taxable income.

Benefit of Transport Allowance of Rs.19,200 and Medical Reimbursement of Rs.15,000/- have been withdrawn.

Mediclaime / health insurance Premium - Higher deduction limit of Rs. 50,000 under Section 80D of the Income Tax Act for senior citizens (above 60 years of age). The earlier limit was Rs.30,000.

For individuals below 60 years of age, the deduction under Section 80D continues to be Rs.25,000.

Employees can claim Premium paid for parents who are senior citizens, above 60 years up to Rs. 50,000 can claim additional to the deduction of up to Rs. 50,000-taking the total deduction to Rs. 75,000 (Rs. 25,000 + Rs. 50,000). Until last year, this limit was Rs. 55,000.

Where assessee has paid Premium in one year for health insurance benefit spanning across multiple years, the deduction will be available proportionately over the years to which the premium pertains.

Higher income tax deduction for senior citizens for medical treatment of specified diseases under section 80DDB. The deduction for payment towards medical treatment of specified disease has been increased to Rs.1 lakh for **senior citizen and very senior citizen** (over 80 years). Earlier this benefit was Rs.60,000 for senior citizen and Rs.80,000 for very senior citizen.

Senior citizens will get higher interest income exemption limit on deposits in banks and post offices, including recurring deposits. Currently, the deduction was Rs. 10,000 under Section 80TTA of the Income Tax Act to an individual in respect of interest income from a savings account.

Now, a new Section 80TTB allows a deduction up to Rs. 50,000 in respect of interest income from deposits held by senior citizens. However, senior citizens will not be able to claim deduction under Section 80TTA.

Tax on Capital Gains from sale of equity share - new 10 per cent tax (cess extra) will be applicable on capital gains exceeding Rs.1,00,000 upon sale of equity share or units of equity oriented funds.