

HIGHLIGHTS ON BUDGET 2023

1. Rebate on personal income tax returns increased:

Section 87A rebate increased from the current Rs. 5 Lakhs to Rs. 7 Lakhs in the alternative tax regime

2. New Tax Rate Structure: The number of slabs in new tax regime is revised, maximum exemption limit is:-

Amount	Rate
0-3 lacs	Nil
3-6 Lacs	5%
6-9 Lacs	10%
9-12 Lacs	15%
12-15 Lacs	20%
Above 15 lacs	30%

- 3.** New tax regime to become the default tax regime. However, citizens can opt for the old tax regime.
- 4.** A Rs 52,500 standard deduction to taxpayers has been introduced under the new regime
- 5.** Next-generation Common IT Return Form to be rolled out for tax payer convenience
- 6.** Grievance redressal mechanism to be strengthen.
- 7.** TDS rate to be reduced from 30 per cent to 20 per cent on taxable portion of EPF withdrawal in non-PAN cases.
- 8. Surcharge Reduced:** Highest surcharge rate in case of HNIs is reduced from 37% to 25% in the new tax regime
- 9.** Limit on tax exemption for Leave Encashment is increased from 3,00,000 to 25,00,000
- 10. Upper Limit for capital gains exemption:** Capping of the upper limit for exemption under Sections 54 and 54F at Rs. 10 crores
- 11. Presumptive tax:** Increase in the threshold limits for presumptive taxation schemes
- 12. Cooperative Societies:** A higher limit of 3 crores on TDS on cash withdrawal is proposed for co-op. society
- 13. Lower Rate of Tax for Cooperatives:** The benefit of a lower tax rate of 15% to new cooperative societies
- 14. Startup Tax Exemption:** Start-ups incorporated upto 31-03-2024 shall be eligible to claim tax exemptions under Section 80-IAC
- 15.** New credit guarantee scheme for MSME's to reduce cost of credit by 1 % point
- 16.** Credit guarantee for MSME, revamped scheme will take effect from April 1, 2023 with infusion of ₹9,000 crore corpus. Co his will enable additional collateral-free credit of Rs 2 lakh crore to MSMEs.
- 17.** Vehicle Scrapping Policy in focus for supporting Central and State Government to scrap old vehicles and replace ambulance
- 18.** In cases of failure to execute contracts, 95% of the forfeited amount related to the bid or performance guarantee will be returned
- 19. Spending on infrastructure:** - Capital Expenditure increased 33 % to Rs 10 Lakh crore, which would be 3.3% of GDP & helpful for MSME to grow over a phased manner.

20. Three centres of excellence for Artificial Intelligence (AI) to be set up in top educational institutes
21. **Compliance & ease of doing business:** More than 3,400 provisions have been decriminalised for ease of doing business and 39,000 compliances have been reduced for ease of doing business
22. Non increase in the old tax regime would lead to more investment in the business sector. MSME can explore to tap funds from SME Exchange.
23. With aim to promote domestic manufacturing, Union Finance Minister Niramala Sitharaman, in Budget 2023-24, provided relief in customs duty on import of certain parts and inputs like camera lens and lithium-ion cells for batteries for mobile phones for another year. She also proposed to reduce the basic custom duty on parts of open cells of TV panels to 2.5 per cent to promote value addition in the manufacture of televisions.

Thanx & Regards.....

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