

INCOME TAX

WHAT ?

- Income
 - Profits
 - Goods
 - Services
- Compulsory
financial
charge

WHO ?

- Central Govt.
- State Govt.

WHY ?

- Primary source of income for Govt.
- Help to reduce economic inequality.

Branches of Taxes

Direct Taxes

Tax → Govt.
Payer

INCOME TAX

Indirect Taxes

Tax → Producer/
Payer Retailers → Govt.

GST

Central Govt

Ministry of Finance

Deptt. of Revenue

CBDT

(Direct Taxes)

Governing Authority

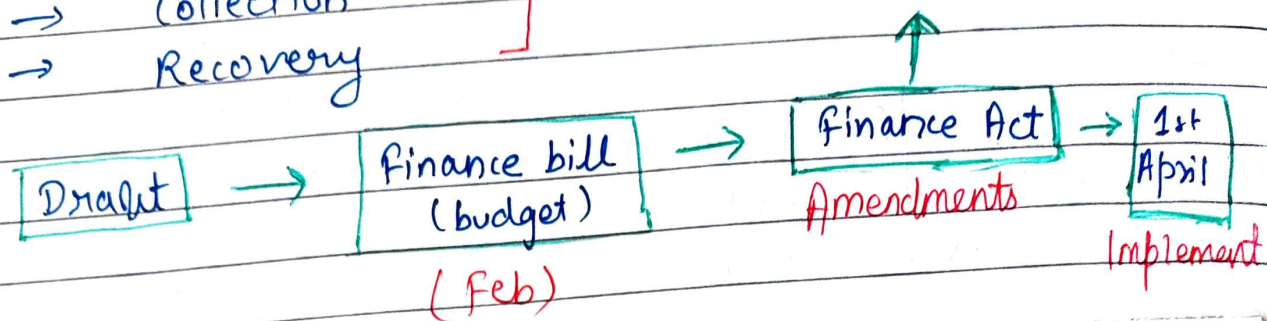
CBIC

(Indirect Taxes)

Income Tax :

- Administration
- Collection
- Recovery

Governed Under
THE INCOME TAX ACT 1961



NEW TAX REGIME (Sec. 115BAC)

- Section 115BAC is applicable to an individual and a HUF only.
- There are no different slab rates for senior or super senior citizens.
- New Tax Regime is optional.
- The option can be exercised every year and can be changed.

SLAB RATES IN NEW TAX REGIME

<u>Total Income</u>	<u>Rate of Tax</u>
Upto Rs. 2,50,000	NIL
Rs. 2,50,010 to Rs. 5,00,000	5%
Rs. 5,00,010 to Rs. 7,50,000	10%
Rs. 7,50,010 to Rs. 10,00,000	15%
Rs. 10,00,010 to Rs. 12,50,000	20%
Rs. 12,50,010 to Rs. 15,00,000	25%
Above Rs. 15,00,000	30%

INCOME TAX

(CHAPTER - 1)

IMPORTANT CONCEPTS :

- * Income earned by every person is chargeable to income-tax provided it exceeds the maximum exemption limit.
↳ Rs. 2,50,000
- * Income-tax is charged on the total income of the previous year but is taxable in the next following assessment year.
- * Income-tax is charged either in the form of slab rate or flat rate.
- * Total income of a person is determined on the basis of his residential status in India.

PERSON [Section 2(31)] :

- * An Individual
- * A Hindu Undivided Family (HUF)
- * A Company
- * A Firm
- * An Association of Persons (AOP)
- * A Body of Individuals (BOI)
- * A Local Authority
- * Every artificial juridical person not falling within any of the above sub-clauses.

upto Rs. 5,00,000	NIL
Rs. 5,00,010 to Rs. 10,00,000	20%
Above Rs. 10,00,000	30%

PREVIOUS YEAR [Section 3]

The year in which income is earned.

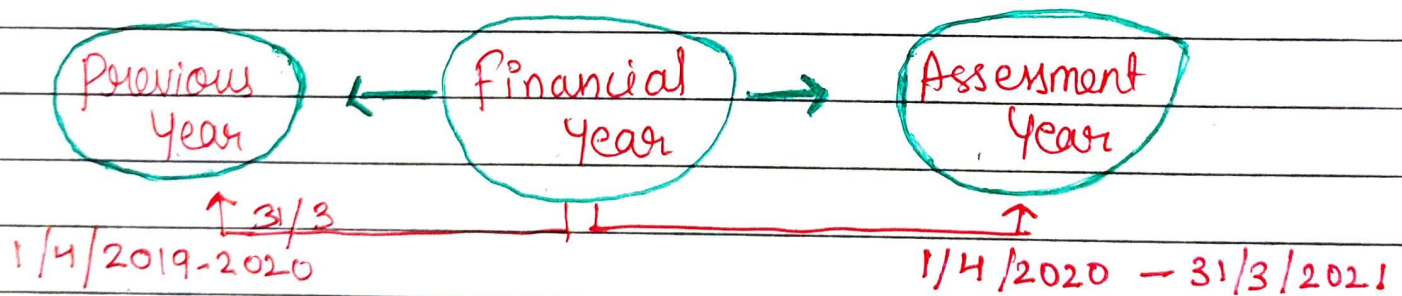
ASSESSMENT YEAR [Section 2(9)]

The year in which :

- (1) the total income of the previous year is assessed.
- (2) the tax is levied on the total income earned in the previous year.
- (3) One file income tax returns of the previous year.

FINANCIAL YEAR

The year which starts on 1st April and ends on 31st March.



RELEVANT PREVIOUS YEAR & ASSESSMENT YEAR

