

UNION BUDGET 2025

Here's what you need to know

S.P.NAGRATH & Co. LLP
CHARTERED ACCOUNTANTS

Income Tax Slab Rates (Revised)

<u>Income Range</u>	<u>Tax Rate</u>
₹0 - ₹4 Lakhs	Nil
₹4 - ₹8 Lakhs	5%
₹8 - ₹12 Lakhs	10%
₹12 - ₹16 Lakhs	15%
₹16 - ₹20 Lakhs	20%
₹20 - ₹24 Lakhs	25%
> ₹24 Lakhs	30%

TDS (Tax Deducted at Source) Threshold Limits - Increased

1. Interest from Banks:

- Senior Citizens: ₹1 Lakh
- Others: ₹40,000 to ₹50,000

2. Interest (Other than Securities):

- Increased from ₹5,000 to ₹10,000

3. Brokerage/Commission:

- Increased from ₹15,000 to ₹20,000

4. Rent (per month):

- Increased from ₹20,000 to ₹50,000

5. Professional Services:

- Increased from ₹30,000 to ₹50,000

6. Dividends:

- Increased from ₹5,000 to ₹10,000

TCS (Tax Collected at Source) Threshold Limits - Increased

1. TCS on Foreign Remittance:

Threshold limit increased from ₹7 Lakhs to ₹10 Lakhs

2. TCS on Sale of Goods (Section 206(C)1H):

- Removed w.e.f. 01.04.2025
- TDS under section 194Q still continues

Revised Definition for MSMEs (Micro, Small, Medium Enterprises)

Category	Investment Limit	Turnover Limit
Micro	₹2.5 Crores	₹10 Crores
Small	₹25 Crores	₹100 Crores
Medium	₹125 Crores	₹500 Crores

Entities with turnover of up to ₹100 Crores can avail benefits of early payments under Section 43B(h) of the Income Tax Act.

New Income Tax Bill (Expected Next Week)

- The Finance Minister will introduce a **completely new Income Tax Act** signaling a major overhaul of the existing tax framework.

Updated Income Tax Return (ITR-U)

- **ITR-U** can now be filed **within 4 years** from the end of the Assessment Year, providing more opportunities to correct mistakes and errors.

Other Key Updates

1. Section 43B(h) - Early Payments to MSMEs:

No changes in Section 43B(h) regarding early payments to micro and small enterprises.

2. TDS on Partners:

TDS on interest, salary, commission, etc., paid to partners remains unchanged.

3. Standard Deduction for Salaried Individuals:

Remains at ₹75,000.

4. Seven Tariff Rates to be Removed:

Additional to those removed in previous budgets.

Other Key Updates

5. Exemption on Social Welfare Surcharge:

82 tariff lines currently under cess will be exempted.

6. 36 Life-Saving Drugs:

Added to the list of medicines fully exempt from Basic Customs Duty (BCD).

7. Increase in BCD on Flat Panel Displays:

From 10% to 20%.

8. Exemption on Critical Minerals: 12 more critical minerals will be exempt from BCD.

9. Addition of 35 Capital Goods:

For EV manufacturing, will be included in the BCD exemption list.

THANK YOU

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