

# budget

# 2023

# key highlights



The budget focuses on capital expenditure like energy sector, infrastructure sector and manufacturing sector.

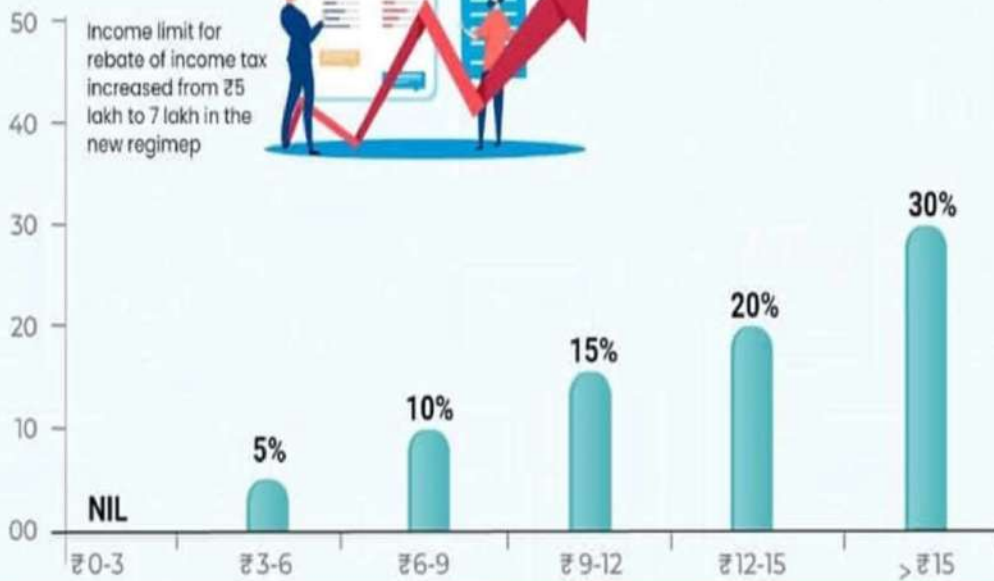
# NEW INCOME TAX REGIME



## Exemption limit increased to ₹3 lakh

Income in ₹ Lakh

Tax rates



Income limit for rebate of income tax increased from ₹5 lakh to ₹7 lakh in the new regime



Highest surcharge rate on income above 5 crore to be reduced from 37% to 25% under new regime

Extending benefits of standard deduction to new tax regime for salaried class and pensioners

Increasing tax exemption limit to 25 lakh on leave encashment on retirement for non-government salaried employees

**Source :** MINISTRY OF FINANCE BUDGET DIVISION  
Infographic Created By : **PRINCE**

### *Income Tax Slab Rates under New Tax Regime*

- 0- 3 Lacs – Nil
- 3 Lacs - 6 Lacs – 5%
- 6 Lacs - 9 Lacs - 10%
- 9 Lacs- 12 Lacs – 15%
- 12 Lacs- 15 Lacs – 20%
- More than 15 Lacs- 30%

# BUDGET

## *Key points:*

- New Tax Regime is the default regime now and not in the old regime.
- Limit on tax exemption for leave encashment is increased from 3 lacs to 25 lacs for non-government employees.
- Income limit for rebate of income tax increased from Rs. 5 lacs to 7 lacs in the new tax regime.
- Higher surcharge rate on income above Rs. 5 crore to be reduced from 37% to 25% under new tax regime.
- TDS rate decreased from 30% to 20% on the taxable portion of EPF in non-PAN cases.
- Proposal to introduce Common IT form and grievance redressal system for tax payer convenience.
- Enhanced limit to 3 crore for MSME to avail benefit u/s 44AD and for professional u/s 44ADA to 75 lacs, if receipt in cash doesn't exceed 5%.
- New co-operatives that commence manufacturing activities till 31.3.2024 to get the benefit of a lower tax rate of 15 per cent, as presently available to new manufacturing companies.
- A higher limit of Rs. 3 crore for TDS on cash withdrawal to be provided to co-operative societies.
- Date of incorporation for income tax benefits to start-ups to be extended from 31.03.2023 to 31.3.2024.
- Proposal to provide the benefit of carry forward of losses on change of shareholding of start-ups from seven years of incorporation to ten years.
- Deduction from capital gains u/s section 54 and 54F is capped up to Rs 10 crore.
- Period of tax benefits to funds relocating to IFSC, gift city further extended by one year till 31.03.2025.
- Income from the life insurance policies in which premium is up to Rs 5 lakhs in aggregate will be exempt from Income Tax.
- Conversion of gold into electronic gold receipt and vice-versa will not be treated as capital gain.



## *Indirect Taxes*

- Custom duty on goods of textiles, toys, bicycle reduced from 21% to 13%.
- Basic custom duty concession for lithium battery to promote Green mobility.
- Basic custom duty reduced for seeds in manufacture for diamonds.
- Custom duty increased in silver.
- Basic customs duty reduced on parts of open cells of TV panels to 2.5 per cent.
- Minimum threshold of tax amount for launching prosecution under GST from one crore to two crore.
- Excise duty exempted on GST-paid compressed bio gas contained in blended compressed natural gas.
- Restrict filing of returns/statements to a maximum period of three years from the due date of filing of the relevant return/statement




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