

Union Budget, 2018: Tax Rates for the AY 2019-20

The Finance Minister, Mr. Arun Jaitley, presented the Union Budget for the year 2018. It is the last full budget presented by him before the general election to be held next year in 2019. In contrast to the expectations, the proposals in personal taxation are not lucrative. Nothing extraordinary has been proposed for individual taxpayers.

There is no change in the maximum exemption limit which is not chargeable to income-tax. Moreover, the rates of tax have been kept unchanged. The "Education Cess" and "Secondary and Higher Education Cess" is proposed to be replaced by a new cess named "Health and Education Cess" which will be chargeable at the rate of 4% of income-tax and surcharge.

The proposed tax rates for the next financial year 2018-19 are given in following tables.

Income		Tax Rate* for an individual for the A.Y. 2019-20		
		Rates of Income-tax		
		Individual (Age less than 60 Years)	Senior Citizen (Age above 60 Years)	Super Senior Citizen (Age above 80 Years)
1	Up to Rs. 2,50,000	Nil	Nil	Nil
2	Rs. 2,50,000 to Rs. 3,00,000	5%	Nil	Nil
3	Rs. 3,00,000 to Rs. 5,00,000	5%	5%	Nil
4	Rs. 5,00,000 to Rs. 10,00,000	20%	20%	20%
5	Above Rs. 10,00,000	30%	30%	30%

*The above rates are exclusive of surcharge and cess.

A resident individual, whose taxable income does not exceed Rs. 3, 50,000, can claim a tax rebate under section 87A. The amount of rebate shall be lower of 100% of income-tax or Rs. 2,500.

Tax Rates* for Corporate Assessee for the A.Y. 2019-20		Rates of income-tax
	Status of Taxpayer	
1	Firms/Local Authority	30%
2	Domestic Company	30%/25%#
3	Foreign Company	40%

Tax rate is 25% if turnover or gross receipts of the domestic company in the previous year 2016-17 doesn't exceed Rs. 250 crore

*The above rates are exclusive of surcharge and cess.

Tax Rates* for Co-operatives Societies for the A.Y. 2019-20		Rates of income-tax
	Income	
1	Up to Rs. 10,000	10%
2	Rs.10,000 – Rs.20,000	20%
3	Above Rs. 20,000	30%

*The above rates are exclusive of surcharge and cess.

Particulars	*Rates of Surcharge	
	Taxable Income	Exceeding 10 Crores
	50 Lacs to 1 Crore	1 Crore to 10 Crores

Individuals/HUF	10%	15%	15%
Firm/ Local Authority/ Co-operative Society	Nil	12%	12%
Domestic Company	Nil	7%	12%
Foreign Company	Nil	2%	5%
Co-operative Societies	Nil	12%	12%

****The health & education cess at the rate of 4% shall be computed on aggregate of Income-Tax and Surcharge.***