

# UNION BUDGET - 2020



## HIGHLIGHTS

- Simplified and New Income Tax Regime as an option to the old regime.

Tax slabs under new, optional regime

Total income (₹)	Simplified, optional tax rate
> Up to ₹2.5 Lakh	Nil
> ₹2.5 - ₹5 Lakh	5%*
> ₹5 - ₹7.5 Lakh	10%
> ₹7.5 - ₹10 Lakh	15%
> ₹10 - ₹12.5 Lakh	20%
> ₹12.5 - ₹15 Lakh	25%
> ₹15 Lakh	30%

Note: Cess and surcharge on income tax payable in the new proposed personal tax regime remain the same as in the existing tax regime.

\* The effective tax rate for individuals with taxable income up to ₹5 lakh would be Nil under both the new and the existing tax regime as these individuals would be able to avail the tax-benefit of rebate up to ₹12,500 under Section 87A under both regimes.

- Under old regime existing exemptions can be availed
- Deposit Insurance Coverage to increase from ₹1 lakh to ₹5 Lakh per depositor. (It got approved by GOI w.e.f. 04/02/2020).
- Dividend Distribution Tax removed and dividend to be taxed only at the hands of recipients, at regular tax slab rates.
- Dividend attract TDS on above ₹5000/-. No TDS applicable for CAPITAL GAIN / INCOME.

Note: The Budget Proposals / Tax rates are subject to enactment of Financial Bill 2020.

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