

HIGHLIGHTS OF FINANCE ACT, 2024

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Source: Finance Act, 2024

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Changes in Tax Rates

Changes in Tax Rates

- The Finance Act 2024 does not bring about any changes to the tax rates

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Amendments w.r.t.
Deductions and Exemptions

Amendments w.r.t. Deductions and Exemptions

- Following amendments are made for deductions/ exemptions:

Sections	Particulars	Existing Condition	Amendment
10(23FE)	Exemption to the wholly owned subsidiary of ADIA or Sovereign wealth fund or pension fund	Exemption for specified investment between 01/04/2020 to 31/03/2024	Exemption for specified investment between 01/04/2020 to 31/03/2025
80-IAC	Deduction for profits and gains of eligible start-ups	Entity should be incorporated on or before 31/03/2024	Entity may be incorporated on or before 31/03/2025

Amendments w.r.t. Deductions and Exemptions

Sections	Particulars	Existing Condition	Amendment
10(4D)	Exemption to specified fund		
10(4F)	Exemption to royalty or interest income received by a non-resident from lease of aircraft or a ship	Commencement of operations on or before 31/03/2024	Commencement of operations on or before 31/03/2025
80LA	Deduction to Off-shore Banking Units and IFSC		

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Amendments w.r.t. Faceless Scheme

Amendments w.r.t. Faceless Scheme

- To implement the faceless regime in Section 92CA, Section 144C, Section 253 and Section 255, it was provided that the CBDT shall issue the necessary directions by 31/03/2024
- The aforesaid Sections have been amended to allow the issue of necessary directions by 31/03/2025.
- The following faceless schemes are covered in the above sections:

Sections	Particulars
92CA	Faceless determination of arm's length price
144C	Faceless Dispute Resolution Panel
253	Faceless appeal to Appellate Tribunal
255	Faceless procedure of Appellate Tribunal

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***Amendments w.r.t.
TCS***

Amendments w.r.t. TCS

- The Finance Act 2024 has brought the necessary amendments to Section 206C(1G) to restore the threshold of INR. 7 lakhs per financial year for TCS on all categories (except the sale of overseas tour program packages) of foreign remittances made under the Liberalised Remittance Scheme (LRS) w.e.f. 01-10-2023
- In the case of 'sale of overseas tour program package', the TCS rate shall be 5% for remittances up to INR 7 lakh, and 20% for remittances exceeding INR 7 lakhs.
- The Finance Act, 2024 has also inserted the sixth proviso to provide that the collection of tax at source during the period 01-07-2023 to 30-09-2023 shall be in accordance with provisions of Section 206C(1G) as they stood on 01-04-2023.

Thank You