



Finance Minister unveils string of measures towards Ease of Doing Business

Presumptive income scheme for audit of entities raised from Rs. 1 crore to Rs. 2 crore; Threshold for maintenance of books for individuals and HUF more than doubled

Individual Insurance agents earning below taxable limit to be exempted from 5% TDS off commission after filing self-declaration

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While presenting the General Budget 2017-18 in Lok Sabha here today, the Union Finance Minister, Shri Arun Jaitley announced a slew of reliefs in the Government's continuing policy towards providing an environment of "Ease of Doing Business".

The Finance Minister Shri Jaitley raised the threshold limit for audit of business entities that opt for presumptive income scheme from Rs. 1 crore to Rs. 2 crore. Similarly, the threshold for the maintenance of books for individuals and HUF is proposed to be increased from turnover of Rs. 10 lakhs to Rs. 25 lakhs or income from Rs. 1.2 lakhs to Rs. 2.5 lakhs.

The Finance Minister Shri Jaitley further said that the Foreign Portfolio Investor (FPI) Category I & II will be exempt from indirect transfer provision under the IT Act. Besides, indirect transfer provision shall not apply in case of redemption of shares or interests outside India as a result of or arising out of redemption or sale of investment in India which is chargeable to tax in India. This will remove apprehensions over taxation upon transfer of stake of investors of India-based funds located abroad but investing in India-based companies, he added.

Bringing relief to individual insurance agents, Shri Jaitley said they will be exempted from the TDS provision of 5% being deducted from commission payable after filing a self-declaration that their income is below taxable limit. Professionals with receipt upto Rs. 50 lakhs p.a. can pay advance tax towards presumptive taxation in one installment instead of four.

In order to allow the people to claim the refund expeditiously, the Finance Minister Shri Jaitley said that the time period for revising a tax return is being reduced to 12 months from completion of financial year, at par with the time period for filing of return. Also the time for completion of scrutiny assessments is being compressed further from 21 months to 18 months for Assessment Year 2018-19 and further to 12 months for Assessment Year 2019-20 and thereafter, he added.

The Finance Minister proposed to restrict the scope of domestic transfer pricing only if one of the entities involved in related party transaction enjoys specified profit-linked deduction. Shri Jaitley said this will reduce the compliance burden for domestic companies since the number of entities being covered under domestic pricing had gone up substantially resulting in longer scrutiny.

DSM/PK/BK/GB 2017-18/Ease of Doing Business

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