



BUDGET-2020 IMPACT ON SALARIED EMPLOYEES


SALARY RANGE UPTO 7,50,000/- PA

Example : Let us Assume Income Particulars of Mr.SURESH KUMAR		Old Regime	New Regime	CAUTION	OPTION:1 If Assessee Wish to Avail New Beneficial Rate then he will Loose ALL Deductions and Exemptions (removal of 70 deductions)
		Amount(Rs)	Amount(Rs)		
Gross Salary of Employee (Without HRA and LTC)	750,000	750,000			
Less: Standard deduction u/s 16(ia)	(50,000)	-			
Income Under the Head Salaries	700,000	750,000			
Less: Interest on Home Loan	(200,000)	-	OPTION:2 As per Budget Speech of FM , Assessee Can Opt for Old Tax Rates with the benefit of claiming all eligible Deductions and Exmptions		
Less: Tax on employment u/s 16(iii)	(2,400)	-			
Total Income	497,600	750,000			
Less: Deductions U/s 80C	(150,000)	-			
Less: Deductions U/s 80D	(50,000)	-			
Less: NPS Contricution U/s 80CCD(1B)	(50,000)	(50,000)			
Total Income	247,600	700,000			
INCOME TAX SALBS	Old Tax Rate	Tax Impact	Tax Impact	New Tax Rate	 Yet to get Perfect Clarification on ;
Tax on Basic Limit 2,50,000/-	Nil	-	-	Nil	
Income Tax on- (2,50,000 - 5,00,000)	5%	-	12,500	5%	
Income Tax on- (5,00,000 -7,50,000 Lakhs)	20%	-	20,000	10%	
Income Tax on - (7,50,000 -10,00,000 Lakhs)	20%	-	-	15%	
Income Tax on - (10,00,000 -11,75,000 Lakhs)	30%	-	-	20%	
Less: Sec 87A Rebate		-	-		
Final Tax Payable		-	32,500		1.Sec 80 E - Interest on Education Loan
FINAL TAX IMPACT		Excess Tax as per New Rate	32,500		2.Sec.80G Donations
<div> Presented by CA SURESH KUMAR A Chartered Accountant F.C.A.,M.Com.M.B.A.,M.Sc(Psy) Tirupati - 9701869616</div>					3.PPF Interest
					4.EPF Contribution
					5.HRA & LTC Exemption

BUDGET-2020 IMPACT ON SALARIED EMPLOYEES

SALARY RANGE UPTO 10,00,000/- PA

Example : Let us Assume Income Particulars of Mr.SURESH KUMAR		Old Regime	New Regime	C A U T I O N	
		Amount(Rs)	Amount(Rs)		
Gross Salary of Employee (Without HRA and LTC)		1,000,000	1,000,000		
Less: Standard deduction u/s 16(ia)		(50,000)	-		
Income Under the Head Salaries		950,000	1,000,000		
Less: Interest on Home Loan		(200,000)	-		
Less: Tax on employment u/s 16(iii)		(2,400)	-		
Total Income		747,600	1,000,000		
Less: Deductions U/s 80C		(150,000)	-		
Less: Deductions U/s 80D		(50,000)	-		
Less: NPS Contricution U/s 80CCD(1B)		(50,000)	(50,000)		
Total Income		497,600	950,000		
INCOME TAX SALBS	Old Tax Rate	Tax Impact	Tax Impact	New Tax Rate	
Tax on Basic Limit 2,50,000/-	Nil	-	-	Nil	
Income Tax on- (2,50,000 - 5,00,000)	5%	12,380	12,500	5%	
Income Tax on- (5,00,000 -7,50,000 Lakhs)	20%	-	25,000	10%	
Income Tax on - (7,50,000 -10,00,000 Lakhs)	20%	-	30,000	15%	
Income Tax on - (10,00,000 -11,75,000 Lakhs)	30%	-	-	20%	
Less: Sec 87A Rebate		12,500	-		
Final Tax Payable		-	67,500		
FINAL TAX IMPACT		Excess Tax as per New Rate	67,500		




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OPTION:1
If Assessee Wish to Avail New Beneficial Rate then he will Loose ALL Deductions and Exemptions (removal of 70 deductions)

OPTION:2
As per Budget Speech of FM , Assessee Can Opt for Old Tax Rates with the benefit of claiming all elgible Deductions and Exmptions



Yet to get Perfect Clarification on ;

1.Sec 80 E - Interest on Education Loan

2.Sec.80G Donations


3.PPF Interest

4.EPF Contribution

5.HRA & LTC Exemption



BUDGET-2020 IMPACT ON SALARIED EMPLOYEES

SALARY RANGE UPTO 11,75,000/- PA

Example : Let us Assume Income Particulars of Mr.SURESH KUMAR		Old Regime	New Regime	C A U T I O N	
		Amount(Rs)	Amount(Rs)		
Gross Salary of Employee (Without HRA and LTC)		1,175,000	1,175,000		
Less: Standard deduction u/s 16(ia)		(50,000)	-		
Income Under the Head Salaries		1,125,000	1,175,000		
Less: Interest on Home Loan		(200,000)	-		
Less: Tax on employment u/s 16(iii)		(2,400)	-		
Total Income		922,600	1,175,000		
Less: Deductions U/s 80C		(150,000)	-		
Less: Deductions U/s 80D		(50,000)	-		
Less: NPS Contricution U/s 80CCD(1B)		(50,000)	(50,000)		
Total Income		672,600	1,125,000		
INCOME TAX SALBS	Old Tax Rate	Tax Impact	Tax Impact	New Tax Rate	
Tax on Basic Limit 2,50,000/-	Nil	-	-	Nil	
Income Tax on- (2,50,000 - 5,00,000)	5%	12,500	12,500	5%	
Income Tax on- (5,00,000 -7,50,000 Lakhs)	20%	34,520	25,000	10%	
Income Tax on - (7,50,000 -10,00,000 Lakhs)	20%	-	37,500	15%	Yet to get Perfect Clarification on ;
Income Tax on - (10,00,000 -11,75,000 Lakhs)	30%	-	25,000	20%	1.Sec 80 E - Interest on Education Loan
Less: Sec 87A Rebate		-	-		2.Sec.80G Donations
Final Tax Payable		47,020	100,000		3.PPF Interest
FINAL TAX IMPACT		Excess Tax as per New Rate	52,980		4.EPF Contribution
					5.HRA & LTC Exemption
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BUDGET-2020 IMPACT ON SALARIED EMPLOYEES

SALARY RANGE UPTO 15,00,000/- PA

Example : Let us Assume Income Particulars of Mr.SURESH KUMAR		Old Regime	New Regime	C A U T I O N	OPTION:1 If Assessee Wish to Avail New Beneficial Rate then he will Loose ALL Deductions and Exemptions (removal of 70 deductions)
		Amount(Rs)	Amount(Rs)		
Gross Salary of Employee (Without HRA and LTC)	1,500,000	1,500,000			
Less: Standard deduction u/s 16(ia)	(50,000)	-			
Income Under the Head Salaries	1,450,000	1,500,000			
Less: Interest on Home Loan	(200,000)	-			
Less: Tax on employment u/s 16(iii)	(2,400)	-			
Total Income	1,247,600	1,500,000			
Less: Deductions U/s 80C	(150,000)	-			
Less: Deductions U/s 80D	(50,000)	-			
Less: NPS Contricution U/s 80CCD(1B)	(50,000)	(50,000)			
Total Income	997,600	1,450,000	 Yet to get Perfect Clarification on ; 1.Sec 80 E - Interest on Education Loan 2.Sec.80G Donations 3.PPF Interest 4.EPF Contribution 5.HRA & LTC Exemption		
INCOME TAX SALBS	Old Tax Rate	Tax Impact		Tax Impact	New Tax Rate
Tax on Basic Limit 2,50,000/-	Nil	-		-	Nil
Income Tax on- (2,50,000 - 5,00,000)	5%	12,500		12,500	5%
Income Tax on- (5,00,000 -7,50,000 Lakhs)	20%	50,000		25,000	10%
Income Tax on - (7,50,000 -10,00,000 Lakhs)	20%	49,520		37,500	15%
Income Tax on - (10,00,000 -12,50,000 Lakhs)	30%	-		75,000	20%
Income Tax on - (12,50,000 -15,00,000 Lakhs)	30%	-		50,000	25%
Less: Sec 87A Rebate		-		-	
Final Tax Payable		112,020		200,000	
FINAL TAX IMPACT		Excess Tax as per New Rate	87,980		
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BUDGET-2020 IMPACT ON SALARIED EMPLOYEES

SALARY RANGE UPTO 20,00,000/- PA

Example : Let us Assume Income Particulars of Mr.SURESH KUMAR		Old Regime	New Regime	C A U T I O N	
		Amount(Rs)	Amount(Rs)		
Gross Salary of Employee (Without HRA and LTC)		2,000,000	2,000,000		
Less: Standard deduction u/s 16(ia)		(50,000)	-		
Income Under the Head Salaries		1,950,000	2,000,000		
Less: Interest on Home Loan		(200,000)	-		
Less: Tax on employment u/s 16(iii)		(2,400)	-		
Total Income		1,747,600	2,000,000		
Less: Deductions U/s 80C		(150,000)	-		
Less: Deductions U/s 80D		(50,000)	-		
Less: NPS Contricution U/s 80CCD(1B)		(50,000)	(50,000)		
Total Income		1,497,600	1,950,000		
INCOME TAX SALBS	Old Tax Rate	Tax Impact	Tax Impact	New Tax Rate	 <p>OPTION:1 If Assessee Wish to Avail New Beneficial Rate then he will Loose ALL Deductions and Exemptions (removal of 70 deductions)</p> <p>OPTION:2 As per Budget Speech of FM , Assessee Can Opt for Old Tax Rates with the benefit of claiming all eligible Deductions and Exemptions</p> <p>Yet to get Perfect Clarification on ;</p> <ol style="list-style-type: none"> 1.Sec 80 E - Interest on Education Loan 2.Sec.80G Donations 3.PPF Interest 4.EPF Contribution 5.HRA & LTC Exemption
Tax on Basic Limit 2,50,000/-	Nil	-	-	Nil	
Income Tax on - (2,50,000 - 5,00,000)	5%	12,500	12,500	5%	
Income Tax on - (5,00,000 -7,50,000 Lakhs)	20%	50,000	25,000	10%	
Income Tax on - (7,50,000 -10,00,000 Lakhs)	20%	50,000	37,500	15%	
Income Tax on - (10,00,000 -12,50,000 Lakhs)	30%	75,000	50,000	20%	
Income Tax on - (12,50,000 -15,00,000 Lakhs)	30%	74,280	62,500	25%	
Income Tax on - (15,00,000 -20,00,000 Lakhs)	30%	-	135,000	30%	
Less: Sec 87A Rebate		-	-		
Final Tax Payable		261,780	322,500		
FINAL TAX IMPACT		Excess Tax as per New Rate	60,720		
 <p style="text-align: center;">Presented by</p> <p style="text-align: center;">CA SURESH KUMAR A Chartered Accountant F.C.A.,M.Com.M.B.A.,M.Sc(Psy) Tirupati - 9701869616</p>					



TABLE

Sl. No.	Total income	Rate of tax
(1)	(2)	(3)
1.	Upto Rs 2,50,000	Nil
2.	From Rs 2,50,001 to Rs 5,00,000	5 per cent.
3.	From Rs 5,00,001 to Rs 7,50,000	10 per cent.
4.	From Rs 7,50,001 to Rs 10,00,000	15 per cent.
5.	From Rs 10,00,001 to Rs 12,50,000	20 per cent.
6.	From Rs 12,50,001 to Rs 15,00,000	25 per cent.
7.	Above Rs 15,00,000	30 per cent.:

Provided that where the person fails to satisfy the conditions contained in sub-section (2) in any previous year, the option shall become invalid in respect of the assessment year relevant to that previous year and other provisions of this Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year:

Provided further that where the option is exercised under clause (i) of sub-section (5), in the event of failure to satisfy the conditions contained in sub-section (2), it shall become invalid for subsequent assessment years also and other provisions of this Act shall apply for those years accordingly.

(2) For the purposes of sub-section (1), the total income of the individual or Hindu undivided family shall be computed,—

(i) without any exemption or deduction under the provisions of clause (5) or clause (13A) or prescribed under clause (14) (other than those as may be prescribed for this purpose) or clause (17) or clause (32), of section 10 or section 10AA or section 16 or clause (b) of section 24 (in respect of the property referred to in sub-section (2) of section 23) or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii), of sub-section (1) or sub-section (2AA), of section 35 or section 35AD or section 35CCC or clause (iia) of section 57 or under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or section 80JJAA;

(ii) without set off of any loss,—

(a) carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);

(b) under the head "Income from house property" with any other head of income;

(iii) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed; and

(iv) without any exemption or deduction for allowances or perquisite, by whatever name called, provided under any other law for the time being in force.

(3) The loss and depreciation referred to in clause (ii) of sub-section (2) shall be deemed to have been given full effect to and no further deduction for such loss or depreciation shall be allowed for any subsequent year: