



DIRECT TAX HIGHLIGHTS

Senior citizens above 75 years age to be **exempt from filing income tax returns** if pension income and interest income are their only annual income source.

Details of capital gains from listed securities, dividend income, interest from banks, PO etc. will be **prefilled** in ITRs.

Advance tax liability in respect of **dividend** income to be computed after declaration or payment of dividend whichever is earlier.

In case the **employee's PF contribution** was deducted but not deposited by the employer, it will not be allowed as a deduction for the employer.

Re-opening of past assessments has also been reduced from 6 years to **3 years** in a bid to provide relief to the taxpayer.
(10 years when there is a serious tax evasion and concealment on income is 50 lakhs or more in a year)

Tax audit exemption limit is increased from 5 crores to 10 crores for persons who are undertaking 95% of their transactions digitally.

Provision is made for **faceless proceedings** before the Income Tax Appellate Tribunal (ITAT) in a jurisdiction less manner. It will reduce the cost of compliance for taxpayers, and increase transparency in the disposal of appeals.

Dispute Resolution Committee to be constituted for small taxpayers with taxable income up to Rs 50 lakhs and any disputed income of Rs 10 lakh.

The **interest** earned by the **Provident Fund contributions** above Rs 2.5 lakh a year will now be taxed at the normal rates. This will only apply to the employee's contribution.

Rate of **TDS/TCS** shall be double of the specified rate or 5% (whichever is higher) in case of **non-filing of ITR** for last 2 years and where TDS/TCS is 50,000 or more for last 2 years.

Applicable to those having interest income, dividend income, annuity pensions or income from capital gains.

Limited Liability Partnership (LLP) not eligible for **presumptive tax** for professionals.

In a boost to **NRIs**, Government to notify rules to eliminate double tax for NRIs on foreign retirement fund.

Tax holiday for **affordable housing** extended up to 31 Mar 2022. New Tax exemption introduced for affordable rental housing project for migrant workers.

The tax holiday for **startups** has been extended by one more year up to 31 March 2022.

In order to incentivize funding for the startups, the **capital gains exemption for investment in startups** has been extended by one more year up to 31 March 2022.