

# SURCHARGE RATES ON INCOME-TAX OF CERTAIN ASSESSES

## FOR FINANCIAL YEAR 2020-21 (A.Y 21-22)

The respective rate of surcharge i.e 10% or 15% or 25% or 37% mentioned below shall become applicable on the tax computed based on the total income of every :

- Individual or
- Hindu undivided family or
- Association of persons or Body of individuals, whether incorporated or not, or
- Every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act 1961.

Below mentioned are the applicable Rates of Surcharge for AY 21-22 depending on the range of total income as per Surcharge on income tax under Paragraph A under Part III of the Finance Act 2020:

Range of Net Income	Rate of Surcharge
Exceeding Rs.50 Lakhs upto Rs. 1 cr	10%
Exceeding Rs.1 cr upto Rs.2 crs	15%
Exceeding Rs.2 crs upto Rs.5 crs	25%
Exceeding Rs.5 crs	37%

Provided that in case where the total income includes any income by way of **Dividend** or income chargeable under section **111A** and **112A** of the Income-tax Act, the rate of surcharge on the amount of income-tax computed on that part of income **shall not exceed 15%**.

Below are few illustrations to help us understand when the different rates of surcharge shall become applicable for AY 21-22:

Situation	A	B	C	D
<b>Rupees in Thousands ('000)</b>				
Income other than Capital Gain including income taxed at special rates	4,000	10,000	54,000	60,000
Dividend income	2,500	11,000	21,000	60,000
Capital Gain u/s 111A* & 112A**	150	1,500	25,000	-
Capital Gain other than Gains u/s 111A* & 112A**	-	-	750	250
Total Income	6,650	22,500	1,00,750	1,20,250
<b>Surcharge rate on Gains u/s 111A* &amp; 112A**</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>0%</b>
<b>Surcharge on Dividend income</b>	<b>10%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
<b>Surcharge rate on income other than Dividend &amp; Gains u/s 111A* and 112A**</b>	<b>10%</b>	<b>25%</b>	<b>37%</b>	<b>37%</b>
Clause under Surcharge on Income Tax under Paragraph A of Part III of Finance Act (No.2) 2020	(a)	(c)	(d)	(d)

\*111A refers to Short Term Capital Gain tax computed at 15% on transfer of an equity share or a unit of an equity oriented fund or a unit of a business trust on which STT has been charged.

\*\*112A refers to Long Term capital Gain tax computed at 10% on transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust exceeding Rs 100,000/- on which STT has been charged.

**05 May 2021**

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