

Union Budget 2022-23

Key Highlights



KEY HIGHLIGHTS

DIRECT TAX PROPOSALS

- Surcharge on long term capital gains to be capped at 15% across all kinds of capital assets.
- New tax regime for Virtual Digital Assets (VDA) by & large Cryptocurrencies and Non Fungible Token (NFT)
 - 30% tax on gain from sale of VDA with no deductions except cost of acquisition.
 - 1% TDS to be deducted by the buyer
 - Losses from sale of VDA cannot be set off against other incomes.
 - VDA assets received as gift shall be taxable in the hands of the recipient.
- Surcharge and Health and Education Cess shall not be allowed as business expenditure retrospectively from AY 2005-06.
- TDS on transfer on immovable property is to be deducted on sale consideration or stamp duty value of such property, whichever is higher provided either of the two exceeds INR 50 lakhs.
- Provisions of Bonus stripping extended to shares and units of InvIT REIT and AIF.
- Alternate minimum tax on Co-operative Societies has been reduced to 15% from 18.50%.
- Surcharge on co-operative societies has been reduced to 7% from 12% on income between INR 1 crore to INR 10 crores.
- Concessional rate of tax of 15% on dividend income received by Indian company from a specified foreign company has been removed.
- Date of commencement of manufacturing or production for claiming concessional tax rate of 15% for companies has been extended to 31st March, 2024 from 31st March, 2023.
- Date of incorporation for Start-ups extended to 31st March, 2023 from 31st March, 2022 to avail tax benefit.
- TDS shall be applicable on benefits or perquisites to agents above basic threshold of INR 20,000/- w.e.f. 1st July, 2022.
- Surcharge on AOPs consisting of only corporate members capped at 15%.

KEY HIGHLIGHTS

- Taxpayers can now file an updated return on payment of additional taxes and interest within two years from the end of relevant assessment year to reduce litigation.
- Mechanism to be introduced to defer filing of appeals by IT department before ITAT and High Court where question of law is identical to the one pending in High Court or Supreme Court.
- Relief for person affected due to COVID-19:

| Instance | Donor | Recipient | Exemption (subject to conditions) |
|----------------------------|------------|---|-----------------------------------|
| Medical Treatment Expenses | Any person | Any person | No limit |
| On Death | Employer | Family Members of the deceased employee | No limit |
| On Death | Any Person | Family Members of the deceased | Upto INR 10 lakhs |

- Tax deduction limit for state government employees for contribution to NPS raised to 14% from 10%.

- Brought forward loss and unabsorbed depreciation shall not be allowed to be set off against undisclosed income discovered during Search or Survey proceedings.

GST PROPOSALS

- Time-limit to avail Input Tax Credit proposed to be extended till 30th November of next year from 30th September.
- Proposal to extend the time limit for issuing Credit Notes in respect of supply made in a financial year up to 30th November of next financial year (currently permitted till 30th September).
- Retrospective amendment to provide for levy of interest on wrongful availment and utilization instead of levy on wrongful availment.

‘ न चोर हार्यं न च राज हार्यं न भात्रू
भाज्यं न च भारकारि
व्ययं कृते वर्धत एव नित्यं
विद्याधनं सर्वधनप्रधानम ’

Knowledge is the **Wealth** that:

The **Thief** cannot **Steal**,
The **King** cannot **Acquire**,
The **Brothers** cannot **Share**,
Does not **Weigh** on You,
Grows Forever as you share ,
Truly, **Knowledge** is the **Greatest Wealth**.

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