

Tax updates from Interim

BUDGET

2024



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GOODS AND SERVICES TAX

- ▶ Amendments in the provisions of GST law whereby the mechanism of Input Service Distributor (“ISD”) is made mandatory. Any office of the taxpayer that receives tax invoices on behalf of the other branches would have to mandatorily obtain registration as ISD and distribute the ITC in the manner prescribed.
- ▶ Levy of penalty and seizure for failure to register certain machinery used in the manufacturing of goods such as Tobacco, Pan Masala, etc. as notified under section 148 of the CGST Act 2017 for an amount equal to Rs. 1,00,000/- per machine.

INCOME TAX ACT

- ▶ No changes in tax rates. Existing tax slabs are to continue under the old and new schemes.
- ▶ However, surcharge rates for HNI having incomes above 5 Crore curbed to 25% from 37%.
- ▶ Waiver of Petty, non-verified, non-reconciled or disputed direct tax demands.
 - Outstanding direct tax demands prior to FY 2010-11 up to twenty-five thousand rupees (₹ 25,000) is proposed to be waived.
 - Outstanding direct tax demands for FY 2010-11 to 2014-15 up to an amount of ten thousand rupees (₹ 10,000) is also proposed to be waived.
- ▶ Reduction in rate of TCS under Section 206(1G) from 20% to 5% for the Liberalised Remittance Scheme (“the LRS”) subject to specified conditions.
- ▶ Tax exemptions and benefits on certain incomes of some IFSC units to be extended for one more year i.e. till March 31, 2025.



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