

Income tax Budget 2024 expectations: 10 ways the finance minister can ease income tax and financial burden of senior citizens

Deductions for Rent: Senior citizens who do not have income from salaries or business should be provided with a gross deduction for rent paid for housing. By recognizing the unique needs of these retirees, the government can ensure that those without traditional income streams are still supported in maintaining their living arrangements. This measure acknowledges the rising cost of living and rental expenses, providing a sense of security and stability for the elderly population, allowing them to enjoy a comfortable retirement.

Exemptions on Passive Income: Passive income sources such as rent, interest from savings accounts, fixed deposits, bonds, and dividends are crucial for senior citizens. They expect the Finance Minister to introduce higher exemptions or lower tax rates on these income sources, reducing their tax burden and allowing them to retain more of their earnings to better safeguard their financial security.

Exemption from Capital Gains: Senior citizens often rely on their investments in assets such as property, stocks, and mutual funds to generate income in their post-retirement years. By providing exemptions or reduced tax rates on long-term capital gains (LTCG), the government can help senior citizens retain a larger portion of their investment returns, ensuring they have adequate funds to meet their living expenses and healthcare needs. Such tax relief acknowledges the contributions of senior citizens to the economy and society over their lifetimes and encourages them to engage in long-term investments, promoting stability.

Incentivizing Senior Citizen Taxpayers: Incentivizing taxpaying senior citizens with government schemes can greatly enhance their quality of life. By offering targeted benefits such as reduced healthcare costs, subsidized utilities, or exclusive access to senior-friendly financial products, the government can recognize and reward the fiscal responsibility of senior citizens.

Assisted Filing of Income Tax Returns: Offering professional assistance through government-backed programs can ensure that all taxpayers, regardless of their technological proficiency or financial literacy, can file their returns accurately and timely. By facilitating a smoother filing process, the government can enhance taxpayer satisfaction and ensure higher compliance rates, ultimately leading to more efficient revenue collection.