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Business News > Wealth > Tax > Income Tax Slab Changes Budget 2024 Highlights: Decoding changes in income tax slabs, standard deduction, capital gains tax, NPS in Budget 2024

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Income Tax Slab Changes Budget 2024 LIVE Updates: Clarification for declaration of rental income

Neeraj Agarwala, Partner, Nangia Andersen LLP says, "A new amendment has been proposed to clarify that income earned from letting out a residential house or part of it by the owner will be chargeable under the head 'income from house property' instead of 'profits and gains of business or profession'. This amendment aims to resolve ongoing disputes between taxpayers and the tax department regarding the taxability of rental income from residential properties. It overrides previous court rulings that recognised such income as business income. However, the amendment does not address the tax treatment of rental income from commercial properties."

Income Tax New Slabs Budget 2024 LIVE Updates: Will gifts be taxed now after Budget 2024? Check here

Budget 2024 has proposed that the gifts by individual/HUF only covered under Section 47. Corporate gifts specifically excluded.

Clarifying capital gains tax on gifts, Vishwas Panjiar, Partner, Nangia Andersen LLP says, "Under the Act, gift of asset was not taxable as capital gains in the hands of transferor, consequently, the recipient was allowed to use the cost base and period of holding of the transferor as and when she/he sold such gift later on. There was always a debate that whether gifts given by companies also gets covered in the said provisions. The government has now substituted the provisions and expressly clarified by since gifts are given out of natural love and affection, only gifts given by individuals and HUFs are covered by the provisions. Thus, gifts given by anyone (other than individual and HUF) given after April 1, 2024 will potentially be taxed both in the hands of the transferor (as capital gains) in the hands of the recipient (as Income from Other Source under the extant anti-abuse laws)."

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Budget 2024 Live Updates Income Tax Changes: Will Budget 2024 simplify capital gains tax regime for investors?

Yogesh Kale, Executive Director, Nangia Andersen LLP suggests how Budget 2024 can simplify capital gains tax regime. He says, "In order to foster investments and to ensure enhanced compliance, the government may consider simplifying the capital gain tax structure, which has become somewhat complicated in the recent years. The complications, for example, comprise various tax rates from 10% to 30%, multiple criteria to classify capital assets as long-term or short-term capital assets and differences owing to the tax residency of taxpayers. Further, it would be a good gesture if resident taxpayers are provided with a level playing field with non-resident taxpayers, so far as exit from unlisted companies is concerned. Also, the new provision deeming gains from debt oriented mutual funds as short-term capital gain irrespective of the period of holding may be detrimental to the investment in such funds.

Budget 2024 Income Tax Changes LIVE Updates: Additional measures for senior citizens in Budget 2024?

Budget 2024 expectations: An additional demand involves the implementation of a tax deduction for elderly individuals who are not receiving regular pensions and are renting a house. This measure has the potential to ease the financial strain on senior citizens living in rented homes, providing them with essential relief and stability in their housing costs, according to CAclubindia.

Neeraj Agarwala, Partner, Nangia Andersen India says, "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."
