Tax harvesting to rescue equity investors: How loss from equities could help you save more tax

Yogesh Kale, Executive Director, Nangia Andersen LLP adds: "To utilise tax loss benefits it's mandatory to file an Income Tax Return (ITR) within the due date."

Kale, says, “Gains in excess of Rs 1.25 lakh from sale of listed equity shares or equity oriented mutual funds which are held for more than 12 months are subject to **Long Term Capital Gain** (LTCG) tax at 12.5% rate (plus applicable surcharge and cess). So a taxpayer can opt to book gains on the aforesaid assets up to Rs 1.25 lakh towards the end of the financial year to utilise the exemption limit provided by the statute and repurchase the same assets in the beginning of the next year.”

Kale says, “The gains from the sale of assets have to be reported in ITR and exemption in respect of the same has to be claimed in the return only. The set off and carry forward provisions in respect of capital gains apply to both the tax regimes."