

Budget Update

The Finance Minister, in the Budget today, announced a bumper for individual tax payers. He has changed the tax slabs for men, women and senior citizens. The highest tax slab has now been raised from Rs 5 lakh to Rs 8 lakh.

"The Finance Minister has been sensitive to the needs of the common man," tax expert HP Ranina said immediately after the Budget speech was concluded.

The FM has also increased the limit of deduction available under section 80C. He has allowed an additional investment of Rs 20,000 for infrastructure bonds taking the total of the limit under section 80C from the current Rs 1 lakh to Rs 1.2 lakh.

Male individual tax payers:

New tax slabs:

Slabs (Rs)	Rate
0 - 160000	0
160001 - 500000	10
500001 - 800000	20
800001 and above	30

Old tax slabs:

Slabs (Rs)	Rate
0 - 160000	0
160001 - 300000	10
300001 - 500000	20
500001 and above	30

Impact:

Taxable income (Rs)	Tax -before budget (Rs)	Tax after budget (Rs)	Saving (Rs)
200000	4120	4120	0
500000	55620	35019	20601
1000000	210120	158619	51501
1200000	271919	220419	51500
1500000	364619	313119	51500
2000000	519119	467619	51500
2500000	673619	622119	51500
4000000	1137119	1085619	51500