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Tax Reckoner for Mutual Fund

(Applicable for Financial Year 2023-24)

	Resident Individual / HUF	Domestic Company	NRI
Capital Gain Taxation			
Long Term			
Equity Scheme	10% without Indexation*	10% without Indexation	10% without Indexation
Debt Schemes	As per Income Tax Slab	15% / 22% / 25% / 30%	As per Income Tax Slab
Short Term			
Equity Schemes	15%	15%	15%
Debt Schemes	As per Income Tax Slab	15% / 22% / 25% / 30%	As per Income Tax Slab

Tax Deducted at Source Dividend Income

For Resident Investors	For NRI Investors
10% on dividend income exceeding Rs. 5,000	20%*

Tax Deducted at Source (Applicable to NRI Investors)

Schemes	Short Term Capital Gains	Long Term Capital Gains
Equity Schemes	15%	10% without Indexation
Debt Schemes	30% (Assuming Highest Income Tax Slab)	30% (Assuming Highest Income Tax Slab)

Dividend Distribution Tax

The Dividend distributed will now be taxable in the hands of the person receiving the Dividend as per slab / applicable rates.

*In Equity up to Rs. 1 Lakh long term capital gain is tax free. Beyond Rs 1 Lakh LTCG, taxation is 10% without indexation in a Financial Year. * Surcharge and Cess on tax is applicable as per prevailing tax laws.

• Debt schemes includes all schemes other than Equity Schemes *All above mentioned tax rates for Capital Gains and TDS applicable to Equity Oriented Schemes are applicable provided STT is paid at the time of redemption/sale.

*From FY 2023-24, capital gain in all mutual funds having equity exposure < 35% will be taxed as per applicable slabs, irrespective of holding period and no indexation benefit will be available on long term gain.



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Income Tax Slab for FY 2023-24.

Income Tax Slab Rates of Resident Individual & HUF under New Tax Regime for FY 2023-24	
Income Slabs	Tax Rate
Up to ₹ 3,00,000/-	NIL
₹ 3,00,000 - ₹ 6,00,000	5%
₹ 6,00,000 - ₹ 9,00,000	10%
₹ 9,00,000 - ₹ 12,00,000	15%
₹ 12,00,000 - ₹ 15,00,000	20%
Above ₹ 15,00,000	30%

- The new tax regime is the default tax regime from FY 2023-24.
- A resident individual having taxable income up to ₹ 7,00,000/- is eligible for a tax rebate of a maximum ₹ 25,000/- under Sec 87a in the new tax regime from FY 2023-24.
- A Standard Deduction of ₹50,000/- has been introduced in the new tax regime from FY 2023-24 which was earlier available only under the old tax regime.
- Surcharge at income exceeding 5 cores has been reduced to 25% from 37% under the new tax regime from FY 2023 - 24, reducing the effective tax rate to 39% from 42.74%.
- There are restrictions in deductions under the new tax regime from FY 2023-24 except Standard deduction(U/s 87A) and deductions for contribution of 10% of Basic + DA by the employer to NPS Tier 1 A/c under 80CCD(2) and a few more.



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Changes in Tax and Investment Laws in FY 2023-24.

Particulars	Change Details
New Tax Regime	Basic exemption limit increased from ₹ 2.5 lacs to ₹ 3 lacs. Tax slabs also changed. The rebate limit also increased to ₹ 7 lacs from ₹ 5 lacs. Surcharge at income exceeding ₹ 5 cores has been reduced to 25% from 37%. The New tax regime becomes the default tax regime. Standard Deduction of ₹ 50,000/- has been introduced.
Traditional Endowment Life Insurance Policies	If the aggregate annual premiums exceed ₹ 5 lacs in a financial year traditional endowment life insurance policies will be taxable at maturity.
Other than Equity mutual funds	Capital gains made on mutual funds schemes that invest less than 35% in Indian equities will be added to income and taxable at the slab rate applicable to the investor.
Senior Citizen Savings Scheme (SCSS)	The maximum limit under the Senior Citizen Savings Scheme (SCSS) has doubled to ₹ 30 lacs from ₹ 15 lacs.
Post Office Monthly Income Scheme (POMIS)	Post Office Monthly Income Scheme (POMIS) has been raised to ₹ 9 lacs from ₹ 4.5 lacs. In the case of joint accounts held in POMIS, the investment limit has been hiked to ₹ 15 lacs from ₹ 9 lacs.
The leave travel allowance encashment limit	The leave travel allowance encashment limit was raised from Rs 3 lakh to Rs 25 lakh in Budget 2023 from the effective financial year 2023-24.
Investment in market-linked debentures	The Union Budget for 2023-24 on February 1 has said that the capital gains on market-linked debentures (MLDs) will now be taxed as short-term capital gains.

Taxation of Mutual Funds on FY 2023-24

Category	Period for qualifying long-term	Tax Rates Before FY 2023-24		Tax Rates from FY 2023-24	
		STCG Tax Rate	LTCG Tax Rate	STCG Tax Rate	LTCG Tax Rate
Equity Mutual Fund (Equity% > 65%)	12 Months.	15%	10% without indexation.	No Change	
Arbitrage Funds	12 Months.	15%	10% without indexation	No Change	
Aggressive Hybrid Mutual Fund. (Equity% > 65%)	12 Months.	15%	10% without indexation.	No Change	
Balanced Hybrid (Equity% < 65% > 35%)	36 Months.	As per tax slab.	20% with indexation	No Change	
Conservative Hybrid (Equity% < 35%)	36 Months.	As per tax slab.	20% with indexation	As per tax slab.	As per tax slab.
Fund of Funds (FoF)	36 Months.	As per tax slab.	20% with indexation	As per tax slab.	As per tax slab.
Debt Mutual Fund	36 Months.	As per tax slab.	20% with indexation	As per tax slab.	As per tax slab.
Gold Funds	36 Months.	As per tax slab.	20% with indexation	As per tax slab.	As per tax slab.
International Funds	36 Months.	As per tax slab.	20% with indexation	As per tax slab.	As per tax slab.
Any other Funds (Domestic Equity < 35%)	36 Months.	As per tax slab.	20% with indexation	As per tax slab.	As per tax slab.

Disclaimer: This is not investment advice and the above is for information purposes only.



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Set-off Rules for Debt/Equity

Set-off Rules for Capital Gains (FY 2022-23)

Type - Equity		
Type of C/F Loss	Can be adjusted with Long Term Capital Gain (both equity & debt)	Can be adjusted with Short Term Capital Gain (both equity & debt)
Long Term Capital Loss	Yes	No
Short Term Capital Loss	Yes	Yes

Type - Debt		
Type of C/F Loss	Long Term Capital Gain	Short Term Capital Gain
Long Term Capital Loss	Yes	No
Short Term Capital Loss	Yes	Yes

Rules for Carry Forward		
Asset type	Long Term Capital Loss	Short Term Capital Loss
Equity	8 Years	8 Years
Debt	8 Years	8 Years

*Please consult your tax advisor for more details



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Tax benefit in Term Insurance + SIP

Now you can save TAX on the
whole investment in Term Insurance + SIP.



Term Insurance Premium qualifies for deduction under Section 80C.



Contribution of SIP in ELSS Fund also qualifies under 80C.



You can also get up to Rs 1 lakh Long Term Capital Gain Exemption (> 3 years) at the time of withdrawal in a financial year on ELSS Mutual Fund. Post 1 lakh you need to pay 10% LTCG Tax.

Disclaimer: Mutual Fund Investments are subject to market risks. Please read the scheme related documents carefully. Insurance is the subject matter of solicitation. For more details on the risk factors, terms and conditions please read the sales brochure carefully before concluding a sale. Terms & conditions apply



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Advance Tax

What is Advance Tax?

As per the Income Tax Department, income tax must be paid in advance rather than a lump-sum payment at the year-end.

Who is liable to pay Advance Tax?

Any assessee, including salaried employee, whose tax liability for the Financial Year as reduced by tax deducted / collected as source is ₹ 10,000/- or more.

Resident Senior Citizens not having income from Business & Profession is not liable to pay.

Mode of Payment:

E - payment is mandatory for all corporates and also those assesseees whose accounts are required to be audited u/s 44AB of Income Tax Act' 1961.

E - payment is also convenient for other taxpayers as it ensures correct credit.

Schedule of Payment of Advance Tax

Due Date	Amount
On or before 15th June 2022.	15% of advance tax payable.
On or before 15th Sep' 2022.	45% of advance tax payable.
On or before 15th Dec' 2022.	75% of advance tax payable.
On or before 15th Mar' 2023.	100% of advance tax payable.

Short / Non Payment / Deferment of payment of Advance Tax will result in levy of Interest Rate.



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Tax Saving Investment Options

Investment Option	Investment Type	Return (Assumed)	Lock In Period	Eligible U/s of Income Tax Act
ELSS	Equity Linked	10-12%	3 Years	Sec 80C
NPS	Hybrid	8-10%	Till 60 Yrs of Age	Sec 80CCD(1b), Sec 80CCD(1), Sec80CCD(2)
ULIP	Debt/Equity Linked	7-12%	Min 5 yrs	Sec 80C
Endowment Insurance Plan	Debt	5-6%	Min 10 -15 yrs	Sec80C
NSC	Debt	7.7% (Apr - Jun'23)	5Yrs	Sec 80C
SCSS	Debt	8.2% (Apr - Jun'23)	5Yrs	Sec 80C
PPF	Debt	7.1% (Apr - Jun'23)	15Yrs	Sec 80C
SSY	Debt	8.0% (Apr - Jun'23)	Till Girl Child attends 21 yrs	Sec 80C
Pension Policies offered by Insurance Companies	Debt	6-7%	Till 60 Yrs of Age	Sec 80CCC

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Taxability on Retirement Benefit

Types of Benefit	For Government Employee	For Non Government Employee
Gratuity	Fully Exempt from Tax	Least of the following i) 15/26 * no. of completed years * salary (Basic + DA) ii) ₹ 20,00,000 iii) Amount actually received.
Provident Fund	Fully Exempt from Tax	i) Statutory Provident Fund - Exempt ii) Recognised Provident Fund - Exempt if service period was at least continuous 5 years iii) Unrecognised Provident Fund - Only Employee's contribution exempted.
Earned Leave Salary	Fully Exempt from Tax	Least of the following i) Average salary (Basic + DA) of the last ten months. ii) Cash equivalent of unavailed leave calculated on the basis of maximum 30 days leave for every year of completed service. iii) ₹ 3 Lakh. iv) Actual amount received
Commuted Value of Pension	Fully Exempt from Tax	i) Commuted value of $\frac{1}{2}$ pension if he receives gratuity. ii) Commuted value of $\frac{1}{2}$ pension if he does not receive gratuity.
Pension	Chargeable under the head "Salaries".	Chargeable under the head "Salaries".
NPS	Eligible for tax exemption on lumpsum withdrawal of 60% of accumulated pension wealth upon attaining the age of 60 or superannuation under section 10(12A)	Same for all types of employees.