Tax Reckoner 2022-23 (Proposed Tax Rates FY 2022-23)

ICICI PRUDENTIAL MUTUAL FUND TARAKKI KAREIN!

Capital Gain Taxation

Long Term***	Resident Individual /HUF	Domestic Company	NRI
Equity schemes (provided STT paid at time of redemption/sale)	10% without indexation + 15% surcharge** + 4% Cess = 11.96% ### %	10% without indexation + 12% surcharge* + 4% Cess = 11.648% ### %	Rate same as RI/HUF.
Equity oriented Fund of Funds (provided STT paid at the time of redemption/sale)	10% without indexation + 15% surcharge** + 4% Cess = 11.96% ### %	10% without indexation + 12% surcharge* + 4% Cess = 11.648% ### %	Rate same as RI/HUF.
Debt schemes (Listed)	20% with indexation + 15% surcharge** + 4% Cess = 23.92%	20% with indexation + 12% surcharge* +4% Cess = 23.296%	Rate same as RI/HUF.
Debt Schemes (Unlisted)	20% with indexation + 15% surcharge**+4% Cess = 23.92%	20% with indexation + 12% surcharge* +4% Cess = 23.296%	10% without indexation + 15% surcharge**+4% Cess = 11.96%

Short Term ***	Resident Individual /HUF	Domestic Company	NRI
Equity schemes (provided STT paid at time of redemption/sale)	15% + 15% surcharge**+ 4% Cess = 17.94%	15% + 12% surcharge*+ 4% Cess = 17.472%	Rate same as RI/HUF.
Equity oriented Fund of Funds	15% + 15% surcharge** + 4% Cess	15% + 12% surcharge*+ 4% Cess = 17.472%	Rate same as RI/HUF.
Debt schemes	As per Slab rates# + 37% surcharge** + 4% Cess	As per applicable rate +12% surcharge* + 4% Cess = ##	Rate same as RI/HUF.

Dividend Distribution Tax ^

The Dividend distributed is taxable in the hands of the person receiving the Dividend. Tax is deducted at source at 10% for Residents and at 20%+Surcharge as applicable + 4% cess for Non- Residents (subject to benefits under the relevant double taxation avoidance agreement)

Tax Deducted at Source (Applicable to NRI Investors) ^

	Short Term Capital Gains	Long Term Capital Gains
Equity schemes (provided STT paid at time of redemption/sale)	15% + 15% Surcharge** + 4% Cess = 17.94%	10% without indexation+15% surcharge**+4% cess =11.96%
Equity oriented Fund of Funds (provided STT paid at the time of redemption/sale)	15% + 15% Surcharge** + 4% Cess = 17.94%	10% without indexation+15% surcharge**+4% cess =11.96%
Other schemes (Listed)	30% + 37% Surcharge** + 4% Cess = 42.744%	20% with Indexation+15% Surcharge** + 4% Cess = 23.92%
Other schemes (Unlisted)	30% + 37% Surcharge** + 4% Cess = 42.744%	10% without Indexation +15% Surcharge** + 4% Cess = 11.96%

Tax Deducted at Source (Applicable to Resident Investors)+ ^

On insertion of Section 194K, a Mutual Fund is liable to charge TDS at the rate of 10% at the time of credit of income from the units of the Mutual Fund to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, if the income exceeds Rs.5,000.

#Income-tax rates for Individual/HUF

Who want to avail tax exemptions and deductions

Total Income	Tax Rates (c) **
Up to INR 250,000 (a) and (b)	Nil@
INR 250,001 to INR 500,000 &	5%
INR 500,001 to INR 1,000,000	20%
INR 1,000,001 and above	30%

For Individuals who do not want to avail tax exemptions and deductions (As per section 115BAC)

Total Income	Tax Rates (c) **
Up to INR 250,000	Nil@
INR 250,001 to INR 500,000	5%
INR 500,001 to INR 750,000	10%
INR 750,001 to INR 1,000,000	15%
INR 1,000,001 to INR 1,250,000	20%
INR 1,250,001 to INR 1,500,000	25%
INR 1,500,001 and above	30%

*Surcharge at the rate of 12% is applicable on domestic companies where the income exceeds INR 10 Crores and where income exceeds 1 crores but is less than 10 crores surcharge of 7% is applicable.
**In case of income income arising from the transfer of equity share/unit referred to in section 111A and section 112A, surcharge at the rate of 10% is applicable to Individuals/HUF where total income exceeds 50 lakhs but is less than INR 1 crore; surcharge rate of 15% is applicable to Individuals/HUF having total income exceeding INR 1 Crore.
Further, the Finance Bill, 2022 has proposed that In case of Long term capital gains arising from transfer of any asset (in addition to above), maximum surcharge at the rate of 15% is applicable.
In case of any other income, surcharge at the rate of 10% is applicable to Individuals/HUF where total income exceeds 50 lakhs but is less than INR 1 crore; surcharge rate of 15% is applicable to Individuals/HUF having total income exceeding INR 1 Crore but less than INR 2 crore; surcharge rate of 25% is applicable to Individuals/HUF having total income exceeding INR 2 Crore but less than INR 5 crore and surcharge rate of 37% is applicable to Individuals/HUF having total income exceeding INR 5 Crore.
(a) In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR 300,000.
(b) In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR 500,000.
(c) Health and education cess is proposed to be levied at 4% on income-tax and surcharge.
*** In order to qualify as long-term capital asset, the units of equity oriented funds (including equity oriented Fund of Funds) should be held for a period of more than 12 months. Units of other mutual funds should be held for a period of more than 36 months to qualify as long-term capital assets.
@ In cases where the taxable income, reduced by long term capital gains / short term capital gains of a resident individual/HUF is below the basic exemption limit, the long term capital gain / short term capital gains will be reduced to the extent of this shortfall and only the balance is chargeable to income tax.
The benefits of this provision are not available to NRIs.
& Rebate of upto INR 12,500 available for resident individuals whose total income does not exceed INR 500,000. However, such rebate should not be available with respect to income-tax on long-term capital gains arising on transfer of units of equity schemes and equity oriented Fund of Funds referred above.
The corporate tax rate is proposed to be charged at the rate of 25% for FY 2022-23 in case of in the case of domestic companies having total turnover or gross receipts in the financial year 2020-21 not exceeding INR 400 crores. Companies may opt for beneficial tax rate of 22% (+10% Surcharge + 4% cess) in case of existing domestic companies (as per Section 115BAA of the Act) and 15% (+10% Surcharge +4% cess) for new domestic companies (as per Section 115BAB of the Act) subject to prescribed conditions. Tax rate of 22% (+10% Surcharge +4% cess) should apply in case of new domestic companies (under Section 115BAB) where income is earned from any source other than manufacturing business and special tax rates (for instance section 111A, 112 and 112A) are not applicable.
Aggregate long term capital gains up to Rs. 1 lakh arising on transfer of equity shares, equity oriented mutual funds, units of business trust should not be taxable. For companies which have offered income under beneficial provisions of section 115BAB/ 115BAA, applicable surcharge rate would be 10%
%Further, the cost of acquisition of units purchased before 1 February 2018, to be higher of : (a) actual cost of acquistion of units; and (b) lower of fair market value as on 31 January 2018 and the sale / redemption value.
+ Wef 1 July 2021, tax should be withheld at 0.1% (on amounts exceeding INR 5m) applicable on purchase of goods (likely to include unlisted shares and securities) from residents, if the sales, gross receipts or turnover from the business carried on by the purchaser exceeds INR 100m in the preceding FY.
^ Higher rate of TDS (5%, two times of the specified TDS rate or two times the rate in force; whichever is higher) to apply in certain cases where the recipient has not filed income-tax return in the last two previous years and TDS or TCS in his case exceeds INR 0.05m in each year
Note : (1) The rates above are based on the proposals in the Finance Bill, 2022. (2)The above rates are based on the assumption that the units are held by the investors as capital assets and not as stock in trade. (3) For the above purpose, the equity schemes referred above means a scheme of a mutual fund specified under section 10(23D) of Income-tax Act, 1961 which invests minimum of 65% of the total proceeds of such fund in the equity shares of listed domestic companies. (4) For the above purpose, Equity oriented Fund of Fund means a mutual fund specified under section 10(23D) of the Act which invests minimum of 90% of the total proceeds in the units of another fund which is traded on recognised stock exchange and such other fund also invests a minimum of 90 percent of its total proceeds in equity shares of listed domestic companies
(5) Fair Market Value for listed units of equity schemes or equity oriented Fund of Fund means highest price of the units quoted in the recognised stock exchange on 31 January 2018. However if there is no trading on stock exchange for such units on 31 January 2018, FMV for such units means highest price on such exchange on date immediately preceeding 31 January 2018. (6) Fair Market Value of units not listed on recognised stock exchange means net asset value of such units as on 31 January 2018 (7) The NRI investors may be entitled to the benefits of respective tax treaties, if the same are more beneficial than above tax rates (subject to conditions).