

Budget Updates:

Withdraws banking cash transaction tax

- * No change in securities transaction tax
- * Short-term capital gains tax 15% vs 10%
- * Introduces STT for commodity futures trades
- * Dividend distribution tax to be 15%
- * Deduction of STT paid allowed
- * Can setoff dividend income from arms vs dividend tax
- * Exemption limit for small service providers 1 mln rupee/yr
- * Services contribute 55% of GDP
- * Svc sector to get amortisation benefit
- * 5 yr tax holiday for hospitals set up to serve rural areas
- * To up short-term capital gains tax to 15% in some cases
- * High growth rates helped boost tax revenue collection
- * Senior citizen I-T threshold 225,000 rupees vs 195,000
- * Production of seeds added to VAT list
- * 30% income tax on over 500,000 rupees per year