

Budget 2020: Big income tax relief coming? Tax slabs, Section 80C, home buyers benefits, what to expect on Feb 1

Budget 2020 Expectations for Income Tax: Apart from suggesting that FM Sitharaman should reduce the Income Tax rates, Kuldip Kumar said there could be a major decision on the limit for Section 80C.

Budget 2020 Income Tax expectations: On February 1, Finance Minister Nirmala Sitharaman in her India Budget 2020 speech in Parliament may announce Income Tax relief for taxpayers, Kuldip Kumar, Leader Personal Tax, PwC India told Financial Express Online. Commenting on the pre-Budget 2020 expectations from the Modi government, Kumar suggested a few measures which FM Sitharaman may announce in Union Budget 2020 to revive the Indian Economy.

Income Tax rates may come down in Budget 2020

Ahead of the Budget 2020, taxpayers have pinned their hopes on Finance Minister Nirmala Sitharaman as well Modi government for good news related to Income Tax rates. “Considering the cuts in Corporate Tax rates in September 2019 by the Central government, there is a lot of expectation that the Modi government will reduce the rates for personal income taxpayers during Budget 2020 in order to put more money in the hands of the common man,” Kuldip Kumar told Financial Express Online.

Citing that the current fiscal deficit situation is not stable, Kuldip Kumar has spelt ways which he said may change the situation for a positive during Budget 2020. “On the fiscal deficit side, the situation is not that good. Considering the current state of fiscal deficit, the Central government needs to push consumption. If the Modi government really wants to revive the growth then they should put more money on the hands of Income Taxpayers,” Kuldip Kumar said.

“This can be done in a number of ways. The easiest way is that the Modi government may tinker with the existing Income Tax slabs in Budget 2020. Right now there is no tax between Rs 0 to 2.5 lakh. Between 2.5 lakh to 5 lakh there is 5 per cent income tax rate, between 5 lakh to 10 lakh, there is a 20 per cent and more than 10 lakh there are 30 per cent income tax rates. I think up to the annual income of 5 lakh, the Modi government may introduce a slab where there will be no tax. Between Rs 5 to Rs 10 lakh, it would be 10 per cent, between Rs 10 lakh to 20 lakh 20 per cent, and more than 20 lakh, it would be 30 per cent,” Kuldip Kumar said.

Budget 2020 decision on Section 80C?

Apart from suggesting that FM Sitharaman should reduce the Income Tax rates, Kuldip Kumar said there could be a major decision on the limit for Section 80C. “The other thing that Finance Minister Nirmala Sitharaman can do is she can raise the limit for Section 80C from Rs 1.5 lakh to Rs 2.5 lakh. By raising this limit, taxpayers will be able to save more taxes and this will increase their take-home in their hands,” Kuldip Kumar said.

Budget 2020 to augur well for housing sector, home buyers?

Listing out pre-Budget 2020 expectations, Kuldip Kumar talked about the urgent fillip that the housing sector requires. “Expectations will be on housing loan. Housing sector and those who have invested in the sector are under a lot of pressure. The set-off losses from housing property should be raised to Rs 3 lakh or it should be removed altogether,” he told Financial Express Online during a interaction.

Budget 2020 gift for senior citizens?

FM Sitharaman may announce a few benefits for the senior citizens, Kuldip Kumar said. “For the senior citizens, the interest on the long-term savings plan such senior citizens savings scheme or the fixed deposits is linked to the market. With the declining rate of interest, it would be good that if the Modi government raises the limit for deduction for the senior citizens from Rs 50,000 to Rs 1 lakh,” Kuldip Kumar said.

“Overall, if the Modi government adopts these aforementioned measures in Budget 2020, probably they will put more money into the hands of the taxpayers, push up the consumption, revive the demand, go cycle for the economy may kick up. These moves will put a lot of money on the hands of taxpayers which will come in the consumption and will push up the economy,” Kuldip Kumar said.

(Financial Express)