

CA INTERMEDIATE

UDESH REGULAR

Nov 2024

group-1

Income Tax

Basic Concepts

Lecture No.- 01

By- CA Jasmeet Singh

CA





TOPICS

to be covered



* Basic concepts,
(Computation of Income & Tax)

Question 5: Calculate Income tax Liability in Following Cases under both the Tax Regime:

- (a) Mr. X (Resident Age 40 Years) has total income of ₹67,00,000 — 20,84,940
- (b) Mr. X (Resident Age 60 Years) has total income of ₹1,67,00,000 — 57,64,720
- (c) MR.X (Resident Age 80 Years) has total income of ₹3,67,00,000 — 1,40,53,000
- (d) MR.X (Non-Resident Age 60 Years) has total income of ₹6,67,00,000 — 2,82,43,100

Question 17: Mr. X (Age 64 Years) is a resident individual, Details of his income is as follows:

- (a) LTCG ₹ 2,00,000
- (b) LTCG u/s 112A ₹ 1,10,00,000
- (c) LTCG u/s 111A ₹ 1,13,00,000
- (d) Other Income ₹ 20,00,000
- (e) Deduction u/s 80C to 80U ₹ 2,00,000

$$\left. \begin{array}{l} \text{(a) LTCG ₹ 2,00,000} \\ \text{(b) LTCG u/s 112A ₹ 1,10,00,000} \\ \text{(c) LTCG u/s 111A ₹ 1,13,00,000} \\ \text{(d) Other Income ₹ 20,00,000} \end{array} \right\} = \text{GTI} = 24500000$$
$$\left. \begin{array}{l} \text{(e) Deduction u/s 80C to 80U ₹ 2,00,000} \end{array} \right\} \text{1-1 Ded} = \frac{200000}{2,43,00,000}$$

TI 2,43,00,000

} Surcharge 15%

Calculate His Tax Liability.

Tax liability → Round off Multiples of 10 ↗ u/s 288B

$$\boxed{2,82,43,098} \rightarrow 2,82,43,100$$

Question 15: Mr. X (Age 64 Years) is a resident individual, Details of his income is as follows:

- (a) LTCG ₹ 30,00,000
- (b) LTCG u/s 112A ₹ 10,00,000
- (c) LTCG u/s 111A ₹ 3,00,000
- (d) Other Income ₹ 28,00,000
- (e) Deduction u/s 80C to 80U ₹ 2,00,000

$$\left. \begin{array}{l} \text{GTI} = 71,00,000 \\ (-) \quad 2,00,000 \\ \hline \text{TI} \quad 69L \end{array} \right\}$$

Surch = 10%

Surch = 15%
↑

Calculate His Tax Liability.

Question 16: Suppose in above question Other income is Rs 1,72,00,000. Calculate His Tax Liability.

Surcharge Under New Regime

Total Income	Rate
1. upto 50L	NIL
2. > 50L but upto 1cr	10%
3. > 1cr but upto 2cr	15%
4. TI other than LTCG 112/112A, LTCG 111A & div. Income exceed 2cr	

LTCY 112/112A, STCY 111A & div. Income - Tax → 15%
 Other Income - Tax → 25%

Note:-

TI > 2cr → Reason LTCY 112/112A, STCY 111A & div. Income

↓
 Only 15% Surch. Is applicable

eg Mr. X R + 65yr

- TI = 6 Cror (Including 50L LTCY u/s 112 / 15L STCY u/s 111A)
 calculate Tax liability As per New Regime (Default)

Tax on MI (6cr - 65L) = 5.35cr @ 21.06%

First 3L	MIL
Next 3L @ 5%	15000
Next 3L @ 10%	30000
Next 3L @ 15%	45000
Next 3L @ 20%	60000
<u>Tax on 15L</u>	<u>150000</u>

Balance 5,20,00,000 @ 30% 1,56,00,000 1,57,50,000

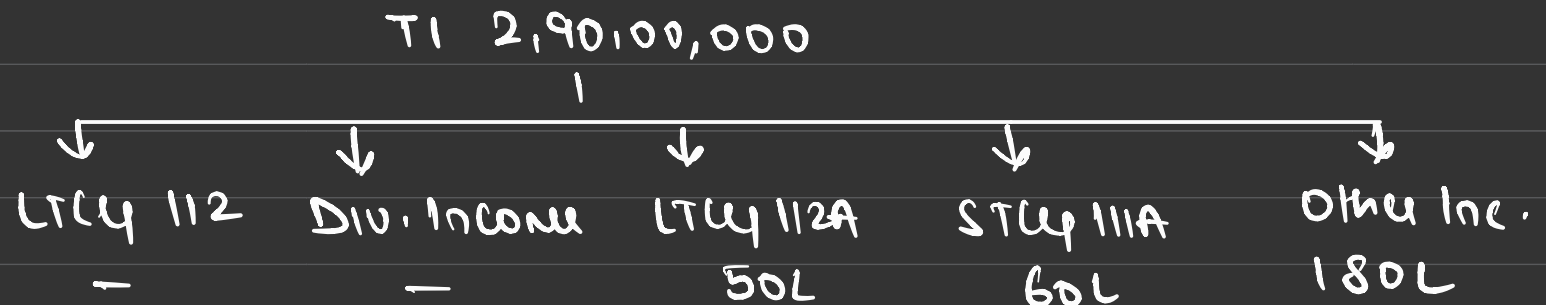
Tax on LTCY 112 50L @ 20%	}	10,00,000
Tax on STCY 111A 15L @ 15%		2,25,000
		<u>1,69,75,000</u>
+ Surch @ 25% of 1,57,50,000		39,37,500
Surch @ 15% of 12,25,000		1,83,750
		<u>2,10,96,250</u>
		+ 4%
		<u><u>2,19,40,150</u></u>

Tax before Surcharge

Tax liability →

eg TI of Mr. X R+75yr is of ₹ 2,90,00,000 including LTCY 112A 50L & STCY 111A 60L, (total income = 15,00,000)

Calculate Tax liability As per New Regime



Tax on NI 165L @ 5106506

Tax on 15L	1,50,000	
bol 150L @ 30%	<u>45,00,000</u>	46,50,000

Tax on LTCY 112A (50L-1L) @ 10%		4,90,000
Tax on STCY 111A 60L @ 15%		9,00,000
Tax on (total income 15L) @ 30%		<u>4,50,000</u>
		64,90,000
+ Surch @ 15%		<u>9,73,500</u>
		74,63,500
		<u>+ 4%</u>
		<u><u>77,62,040</u></u>

Tax liability

eg - TI = 90,00,000 (Inc. LTCY 112 = 40L, STCY 111A = 10L) calculation
 Tax liability As per New Regime R+904r

Tax on NI of 40L		
First 15L	1,50,000	
bol 25L @ 30%	<u>7,50,000</u>	9,00,000
Tax on LTCY u/s 112 40L @ 20%		8,00,000
Tax on STCY 111A 10L @ 15%		<u>1,50,000</u>

$$\begin{array}{r}
 18,50,000 \\
 + 10\% \\
 \hline
 20,35,000 \\
 + 4\% \\
 \hline
 \underline{\underline{21,16,400}}
 \end{array}$$

Tax liability \longrightarrow

MARGINAL RELIEF (Very Interesting)

- * If due to surcharge or higher rate of surcharge
- * Increase in Tax is more than Increase in Income
- * Then Marginal Relief is granted before Applying HEC

$$\text{Marginal Relief} = \text{Increase in Tax} - \text{Increase in Income}$$

General

Maximum Tax = 100% (Income se zyada Tax Mohi ho sakti)

$$TI = 50,00,000 \quad R + 40 \text{ yrs.}$$

Tax As per old Regime

First 10,00,000	1,12,500
Rest 40L @ 30%	12,00,000
	<u>13,12,500</u>
+ Surcharge	—
Tax before cess →	13,12,500

Increase In Tax	1,64,250
14,76,750 - 13,12,500	
Incr. in Income (51L - 50L)	1,00,000

Marginal Relief

Incr. in Tax	1,64,250
(-) Incr. In Income	<u>1,00,000</u>
	<u><u>64,250</u></u>

$$TI = 51,00,000$$

Tax As per old Regime

First 10L	1,12,500
Rest 41L @ 30%	12,30,000
	<u>13,42,500</u>
+ Surcharge @ 10%	1,34,250
Tax before cess	14,76,750
(-) M. Relief	<u>64,250</u>
	14,12,500

Tax liability →	<u><u>14,12,500</u></u>
	+ 4%
	<u><u>14,69,500</u></u>

Q.

Calculate Tax liability if TI = 52,50,000 (As per New Regime)
R + 55 yrs

Working Note

Tax on 52,50,000 As per New Reg.

First 3L	Nil
Next 3L @ 5%	15,000
Next 3L @ 10%	30,000
Next 3L @ 15%	45,000
Next 3L @ 20%	60,000
Balance 37.50L @ 30%	11,25,000
	<u>12,75,000</u>
+ Surch @ 10%	<u>1,27,500</u>
	14,02,500
(-) Marginal Relief	—
	<u>14,02,500</u>
	+ 4%
	<u><u>14,58,600</u></u>

Tax on 50L As per New Regime

First 15L	15,000
Bel 35L @ 30%	<u>10,50,000</u>
	12,00,000
+ Surch	—
	<u>12,00,000</u>
Inc. In Income	2,50,000
Inc. In Tax	2,02,500
	14,02,500 - 12,00,000

NO Marginal Relief As Inc. In Tax
less than Inc. In Income

eg Max T.I = 1,02,00,000 Calculate Tax As per old Regime
R + 75 yrs

Tax on 1.02 cr

First 3L	NIL
Next 2L @ 5%	10,000
Next 5L @ 20%	10,00,000
<hr/>	
Tax on 10L	1,10,000
501 92L @ 30%	27,60,500
	<hr/>
	28,70,500
+ Surch @ 15% ✓	4,30,500
	<hr/>
	33,00,500
(-1) M. Relief	9,500
	<hr/>
	32,91,000
	+ 4%
	<hr/>
	<u><u>34,22,640</u></u>

Tax on 1 cr

First 10L	1,10,000
501 90L @ 30%	27,00,500
<hr/>	
	28,10,500
+ Surch. @ 10%	2,81,500
	<hr/>
	30,91,000
<hr/>	
Inc. in Tax	209500
(33,00,500 - 30,91,000)	
<hr/>	
Inc. in Income	200000
<hr/>	
Marginal Relief	9,500

Inc. in Tax is more than Inc. In Income

$$\frac{25 - 5}{25} = \boxed{25\%}$$

T.I = 5,07,50,000 Calculate Tax liability (Mr. X + R + 85yr) - Old Regime

	₹
Tax on first 5L	MIL
Next 5L @ 20%	100000
<hr/>	
Tax on 10L	1,00,000
Bal 4,97,50,000 @ 30%	1,49,25,000
<hr/>	
	1,50,25,000
+ Surch @ 37%	55,59,250
<hr/>	
	2,05,84,250
(-) Marginal Relief	(13,34,250)
<hr/>	
	1,92,50,000
	+ 4%
<hr/>	
Tax liability →	2,00,20,000

	MIL
<u>Tax on 50r</u>	
First 5L	MIL
Next 5L	100000
<hr/>	
Tax on 10L	1,00,000
Bal 4,90,00,000 @ 30%	1,47,00,000
<hr/>	
	1,48,00,000
+ Surch @ 25%	37,00,000
<hr/>	
	1,85,00,000
<hr/>	
Incl. In. Tax	2084250
20584250 - 18500000	
Incl. In Income	750000
<hr/>	
Relief	<u>13,34,250</u>

ILLUSTRATION 3

Mr. X has a total income of ₹ 16,00,000 for P.Y.2023-24, comprising of income from house property and interest on fixed deposits. Compute his tax liability for A.Y.2024-25 under the default tax regime under section 115BAC.

59C or section 59D.

ILLUSTRATION 4

Mr. X has a total income of ₹ 16,00,000 for P.Y.2023-24, comprising of income from house property and interest on fixed deposits. Compute his tax liability for A.Y.2024-25 assuming his age is –

- (a) 45 years $BEL = 2.5L$
- (b) 63 years $BEL = 3L$
- (c) 82 years $BEL = 5L$

Assume that Mr. X has exercised the option to shift out/ opt out of the default tax regime.

↳ Old Regime

ILLUSTRATION 6 Surin + MR.

New.

Compute the tax liability of Mr. B (aged 51) under the default tax regime, having total income of ₹ 1,01,00,000 for the Assessment Year 2024-25. Assume that his total income comprises of salary income, Income from house property and interest on fixed deposit.

ILLUSTRATION 7

Compute the tax liability of Mr. C (aged 58), having total income of ₹ 2,01,00,000 for the Assessment Year 2024-25. Assume that his total income comprises of salary income, Income from house property and interest on fixed deposit. Assume that Mr. C has exercised the option to shift out of section 115BAC.

ILLUSTRATION 8

Compute the tax liability of Mr. D (aged 65) in a most beneficial manner. He is having total income of ₹ 5,01,00,000 for the Assessment Year 2024-25. Assume that his total income comprises of salary income, Income from house property and interest on fixed deposit and is the same under both tax regimes.

11. Mr. Sharma aged 62 years and a resident in India, has a total income of ₹ 2,30,00,000, comprising long term capital gain taxable under section 112 of ₹ 52,00,000, short term capital gain taxable under section 111A of ₹ 64,00,000 and other income of ₹ 1,14,00,000. Compute his tax liability for A.Y.2024-25 under the default tax regime and optional tax regime as per the normal provisions of the Act assuming that the total income and its components are the same in both tax regimes.

↓
old.

only 15% surch Appli.

* Rebate up STA = Imp

* Company

* Firm

* Co-operative Society

✓
Tax rate + No Proch

CA
FINAC

Inter level = Individual



2 Min Summary



Chapter Summary.

JOIN OUR OFFICIAL TELEGRAM CHANNEL



CA WALLAH INTERMEDIATE

- ✓ Important Notifications & Updates
- ✓ Class Notes of YT Sessions
- ✓ Weekly Mentorship Live Sessions
- ✓ Important PDFs
- ✓ Polls & Quizzes



JOIN NOW



THANK YOU