

# Budget 2011: I-T exemption limit hiked

**New Delhi:** Union Finance Minister Pranab Mukherjee presented Budget 2011-12 in Parliament on Monday promising to stimulate growth and bring down inflation. Admitting that food inflation remains a matter of concern, Pranab said that the economy could have performed better. He said that the development needs to be more inclusive while announcing increased outlay on social sector schemes.

Pranab also raised the income tax exemption limit for general tax payers to Rs 1.80 lakh per annum from Rs 1.60 lakh at present and introduced a high new tax slab for senior citizens of 80 years and above. He also proposed to reduce the age limit for consideration as senior citizens from 65 years to 60.

Senior citizens will get tax exemption for income up to Rs 2.5 lakh, higher from Rs 2.4 lakh now. As per the announcement, the increase in the income tax exemption limit for general tax payers (excluding women and senior citizens) to Rs 1.8 lakh per annum would translate into a benefit of Rs 2,000 for all tax payers.

At present, the general tax payers earning more than Rs 1.6 lakhs per annum are required to pay income tax.

Introducing a new tax slab for very senior citizens (80 years and above), Mukherjee said, they will not have to pay any tax for annual income up to Rs 5 lakh.

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