

RATES OF INCOME-TAX FY 2013-14 AY 2014-15 - AS PER FINANCE ACT, 2013

As per the Finance Act, 2013, income-tax is required to be deducted under Section 192 of the Act from income chargeable under the head "Salaries" for the financial year 2013-14 (i.e. Assessment Year 2014-15) at the following rates:

2.1 Rates of tax

A. Normal Rates of tax:

S. No	Total Income	Rate of tax
1	Where the total income does not exceed Rs. 2,00,000/-.	Nil
2	Where the total income exceeds Rs. 2,00,000 but does not exceed Rs. 5,00,000/-	10 per cent of the amount by which the total income exceeds Rs. 2,00,000/-
3	Where the total income exceeds Rs. 5,00,000/- but does not exceed Rs. 10,00,000/-.	Rs. 30,000/- plus 20 per cent of the amount by which the total income exceeds Rs. 5,00,000/-.
4	Where the total income exceeds Rs. 10,00,000/-.	Rs. 1,30,000/- plus 30 Per cent of the amount by which the total income exceeds Rs. 10,00,000/-

B. Rates of tax for every individual, resident in India, who is of the age of sixty years or more but less than eighty years at any time during the financial year:

S. No	Total Income	Rate of tax
1	Where the total income does not exceed Rs. 2,50,000/-	Nil
2	Where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000/-	10 per cent of the amount by which the total income exceeds Rs. 2,50,000/-
3	Where the total income exceeds Rs. 5,00,000/- but does not exceed Rs. 10,00,000/-	Rs. 25,000/- plus 20 per cent of the amount by which the total income exceeds Rs. 5,00,000/-.
4	Where the total income exceeds Rs. 10,00,000/-	Rs. 1,25,000/- plus 30 per cent of the amount by which the total income exceeds Rs. 10,00,000/-

C. In case of every individual being a resident in India, who is of the age of eighty years or more at any time during the financial year:

S. No	Total Income	Rate of tax
1	Where the total income does not exceed Rs. 5,00,000/-	Nil
2	Where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000/-	20 per cent of the amount by which the total income exceeds Rs. 5,00,000/-
4	Where the total income exceeds Rs. 10,00,000/-	Rs. 1,00,000/- plus 30 per cent of the amount by which the total income exceeds Rs. 10,00,000/-

2.2 Surcharge on Income tax:

The amount of income-tax shall be increased by a surcharge @10% of the Income-tax on payments to an individual taxpayer, if the total income of the individual exceeds Rs 1 crore during FY 2013-14 (AY 2014-15). However the amount of Surcharge shall not exceed the amount by which the individual's total income exceeds Rs 1 crore and if surcharge so arrived at, exceeds such amount (assessee's total income minus one crore) then it will be restricted to the amount of total income minus Rupees one crore.

2.3.1 Education Cess on Income tax: The amount of income-tax including the surcharge if any, shall be increased by Education Cess on Income Tax at the rate of two percent of the income-tax.

2.3.2 Secondary and Higher Education Cess on Income-tax: An additional cess is chargeable at the rate of one percent of income-tax including the surcharge if any, but not including the Education Cess on income tax as in 2.3.1.

3. SECTION 192 OF THE INCOME-TAX ACT, 1961: BROAD SCHEME OF TAX DEDUCTION AT SOURCE FROM "SALARIES":

3.1 Method of Tax Calculation:

Every person who is responsible for paying any income chargeable under the head "Salaries" shall deduct income-tax on the estimated income of the assessee under the head "Salaries" for the financial year 2013-14. The income-tax is required to be calculated on the basis of the rates given above, subject to the provisions related to requirement to furnish PAN as per sec 206AA of the Act, and shall be deducted at the time of each payment. No tax, however, will be required to be deducted at source in any case unless the estimated salary income including the value of perquisites, for the financial year exceeds Rs. 2,00,000/- or Rs.2,50,000/- or Rs. 5,00,000/-, as the case may be, depending upon the age of the employee.