

GENERAL BUDGET 2014-15

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TAX PROPOSALS

The Finance Minister has retained the targets of tax collection at the level of the interim budget presented in February. Taxation proposals have been made with a view to introduce measures to revive the economy, promote investment in manufacturing sector and rationalize tax provisions so as to reduce litigation as well as to address the problem of inverted duty structure in certain areas. In addition, some relief is proposed to individual taxpayers and to certain sectors of the economy.

There is no change in income tax rates, surcharge and educational cess. To provide relief to small and marginal tax payers, personal income tax exemption limit is being raised from Rs. 2 lakh to Rs. 2.5 lakh.

For senior citizens, the exemption limit will be Rs. 3 lakh. Further, the investment limit under Section 80C of the Income-tax Act is being raised from Rs. 1 lakh to Rs. 1.5 lakh. Deduction limit for interest on housing loan (for self-occupied house property) goes up from Rs. 1.5 lakh to Rs. 2 lakh.