

HIGHLIGHTS OF FINANCE BILL, 2024

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Source: Finance Bill, 2024 and Budget Speech

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Proposed Changes in Tax Rates

Proposed Changes in Tax Rates

- No changes in tax rates are proposed by Finance Bill, 2024

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**Proposed amendments w.r.t.
Deductions and Exemptions**

Proposed amendments w.r.t. Deductions and Exemptions

- Following amendments are proposed for deductions/ exemptions:

Sections	Particulars	Existing Condition	Proposed Amendment
10(23FE)	Exemption to the wholly owned subsidiary of ADIA or Sovereign wealth fund or pension fund	Exemption for specified investment between 01/04/2020 to 31/03/2024	Exemption for specified investment between 01/04/2020 to 31/03/2025
80-IAC	Deduction for profits and gains of eligible start-ups	Entity should be incorporated on or before 31/03/2024	Entity may be incorporated on or before 31/03/2025

Proposed amendments w.r.t. Deductions and Exemptions

Sections	Particulars	Existing Condition	Proposed Amendment
10(4D)	Exemption to specified fund	Commencement of operations on or before 31/03/2024	Commencement of operations on or before 31/03/2025
10(4F)	Exemption to royalty or interest income received by a non-resident from lease of aircraft or a ship		
80LA	Deduction to Off-shore Banking Units and IFSC		

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Proposed amendments w.r.t.

Faceless Scheme

Proposed amendments w.r.t. Faceless Scheme

- To implement the faceless regime in Section 92CA, Section 144C, Section 253 and Section 255, it was provided that the CBDT shall issue the necessary directions by 31/03/2024
- It is proposed to amend the aforesaid Sections to allow the issue of necessary directions by 31/03/2025.
- The following faceless schemes are covered in the above sections:

Sections	Particulars
92CA	Faceless determination of arm's length price
144C	Faceless Dispute Resolution Panel
253	Faceless appeal to Appellate Tribunal
255	Faceless procedure of Appellate Tribunal

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Proposed amendments

w.r.t. TCS

Proposed amendments w.r.t. TCS

- The Finance Bill proposes the necessary amendments to Section 206C(1G) to restore the threshold of INR. 7 lakhs per financial year for TCS on all categories (except the sale of overseas tour program packages) of foreign remittances made under the Liberalised Remittance Scheme (LRS) w.e.f. 01-10-2023
- In the case of 'sale of overseas tour program package', the TCS rate shall be 5% for remittances up to INR 7 lakh, and 20% for remittances exceeding INR 7 lakhs.
- The Finance Bill, 2024 proposes to insert the *fifth proviso* to provide that the collection of tax at source during the period 01-07-2023 to 30-09-2023 shall be in accordance with provisions of Section 206C(1G) as they stood on 01-04-2023.

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Proposed amendments w.r.t.

Outstanding Tax Demand

Proposed amendments w.r.t. Outstanding Tax Demand

- In the budget speech, Hon'ble Finance Minister proposed to withdraw or waive off the small, unresolved, unverified, or disputed direct tax demands pertaining to the financial years up to 2014-15.
- The proposal aims to waive off the recovery of the old outstanding demands up to INR 25,000 for the period up to financial year 2009-10 and up to INR 10,000 for financial years 2010-11 to 2014-15

Thank You