



## Budget Highlights – 2007-08

The finance minister had presented the highlights of the Budget before the Parliament. The main highlights of the Budget 2007-08 on the personal finance presented are given below:

- ❖ Increase in the exemption rates
  - a. Male assesses from Rs.1,00,000 to Rs.1,10,000.
  - b. Women assesses from Rs.1,35,000 to Rs.1,45,000.
  - c. Senior citizens from Rs.1,85,000 to Rs.1,95,000.
- ❖ Hike in the dividend distribution tax rate
  - a. For companies from 12.5% to 15%
  - b. For money market mutual funds and liquid funds from the existing rate to 25%
- ❖ ESOP to be included within the ambit of Fringe Benefit Tax
- ❖ Art works to be included in the definition of 'capital asset' for the purpose of computation of capital gains.
- ❖ NABARD bonds capital gains exemption u/s 54EC to be available.
- ❖ Rs.50 lacs limit for investment in REC bonds to stay.
- ❖ The retail limit for banking cash transaction tax to be hiked from Rs.25,000 to Rs.50,000.
- ❖ The 2% education cess will remain and in addition, another cess exclusively for secondary education @ 1% will be imposed.
- ❖ The deduction limit under section 80D to be hiked from Rs.10,000 to Rs.15,000. For senior citizens the limit is further enhanced to Rs.20,000.
- ❖ No change in the other sections like section 80C, or securities transaction rates or the capital gains tax rates
- ❖ More efforts in the tax administration front by increasing the ambit of Annual Information Return (AIR), e-filing of returns, etc.

By

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