



reminder

LAST INSTALLMENT OF ADVANCE TAX DUE BY 15TH MARCH 2006.

100% OF TOTAL TAX LIABILITY FOR THE YEAR ENDING MARCH 2006 MUST BE COVERED BY TAX DEDUCTED AT SOURCE PLUS TOTAL ADVANCE TAX PAID.

Failure to pay advance tax accurately results in levy on interest u/s 234B and 234C.

While computing advance tax please consider the following provisions which were introduced by the Finance Bill 2005:-

Tax Rates

Revised Tax brackets for individuals and HUFs:

Upto Rs. 100,000 (●)	Nil
100,001 - 150,000	10%
150,001 - 250,000	20%
250,001 and above	30%

- for women, no tax for income upto 1,35,000. No rebate u/s 88C
- for senior citizens, no tax for income upto 1,85,000. No rebate u/s 88B

Surcharge @ 10% for income exceeding Rs. 10 lakhs

Education cess @ 2% of tax liability including surcharge.

Firms / Indian Companies/ Societies 30%
Surcharge @ 10%. Education cess @ 2%
Effective tax rate **33.66%**

Deductions for investments made

No Tax Rebate available u/s 88.
However a deduction is now available u/s 80C on various investments upto a maximum of Rs. 100,000. This includes a deduction of upto Rs. 10000 contributed to a pension fund which is eligible u/s 80CCC or 80CCD.

No deduction shall be allowable u/s 80L.

Income from Salaries

No standard deduction shall be allowable to an employee against income from "Salaries".

Income from House Property

In case of an assessee who owns more than **one** property which is not used for one's own business, a tax is payable on the notional rental income from all the other properties.

Business Income

● Additional Depreciation of 20% on Machinery to businesses engaged in manufacturing, regardless of extent of capacity expansion.

● Depreciation rates reduced to following:-

Furniture	10%
Machinery / Equipment	15%
Cars	15%
Computers and Software	60%

● Gains from trading in derivatives on Recognized Exchanges will **not** be treated as Speculative transactions.

● Loss from speculative business can now be carried forward for only upto 4 years (earlier 8 years).

● Tax Credit will be available for Minimum Alternate Tax paid u/s 115JB.

Capital Gains

Long Term Capital Gains on sale of listed securities and equity based Mutual Funds held as investments is tax free provided Securities Transaction Tax has been paid.

Fringe Benefit Tax

FBT for the quarter ending March 31st has to be paid based on an estimated basis by 15th March 2006.

Service Tax

Please pay Service Tax for this quarter by 31st March 2006.

Please ensure that the advance tax payment challan has the correct PAN failing which no credit will be given for the tax paid.

In case any assistance is required with the advance tax calculation please contact the representative from our office who assists you in your tax computation and return filing.