

CHANGE IN CORPORATE TAX RATE: PROPOSED IN UNION BUDGET 2018

Existing Provisions

Financial Year: 2016-17(AY 2017-18) :

Domestic Companies whose turnover was **less than Rs. 5 Crores** for (FY 2014-15) was liable to pay Corporate tax **at 29%** (before Surcharge & Education Cess)

Financial Year: 2017-18(AY 2018-19) : Current Year

Domestic Companies whose turnover was **less than Rs. 50 Crores** for (FY 2016-17) was liable to pay Corporate tax **at 25%** (before Surcharge & Education Cess)

Proposed Amendment for FY 2018-19

Government has proposed Amendment in the existing Corporate tax provisions in Union Budget 2018 which was announced on Feb 01, 2018 by honorable Union finance minister Arun Jaitley.

The Benefits of concessional rate of corporate tax @ 25% (before surcharge and Education cess) is proposed to be extended to domestic companies whose turnover in FY 2016-17 does not exceeds Rs 250 crores

CONCLUSION:

By this Amendment the companies having turnover below 250 crores (for 16-17) are liable for payment of taxes @ 25% (earlier 30%) and tax burden will be reduced to the extent of 5%. This benefit is available for the Financial year 2018-19 onwards.