



The Direct Taxes Code, 2010 – Tax card

These rates are subject to enactment of the Direct Taxes Code, 2010 (DTC). The rates would be applicable for the Financial Year 2012-13, subject to the DTC being enacted.

1. Income tax rates

1.1 For Individuals and Hindu Undivided Families

Total Income	Tax Rates
Up to INR 200,000 (a)	NIL
INR 200,001 to INR 500,000	10 percent
INR 500,001 to INR 1,000,000	20 percent
INR 1,000,001 and above	30 percent

(a) In the case of a resident individual of the age of 65 years or above, the basic exemption limit is INR 250,000.

1.2 For co-operative societies

Total Income	Tax Rates
Up to INR 10,000	10 percent
INR 10,001 to INR 20,000	20 percent
INR 20,001 and above	30 percent

1.3 For societies (other than co-operative societies)

Societies (other than co-operative societies) are taxable @ 30 percent

1.4 For non-profit organisations

Total Income	Tax Rates
Up to INR 100,000	Nil
INR 100,001 and above	15 percent

1.5 For unincorporated bodies

Unincorporated bodies are taxable @ 30 percent.

Unincorporated bodies means a firm (including limited liability partnership), an association of persons or a body of individuals

1.6 For domestic companies

Domestic companies are taxable @ 30 percent

1.7 For foreign companies

- Foreign companies are taxable @ 30 percent
- Profits of branches of foreign companies are taxable @ 15 percent

2. Minimum Alternate Tax (MAT)

- MAT is levied @ 20 percent of the adjusted book profits in the case of those companies where normal income-tax payable is less than 20 percent of the adjusted book profits
- MAT credit is available for 15 years

3. Securities Transaction Tax (STT)

No separate rates for STT are specified under the DTC. The rates of STT leviable on the value of taxable securities transactions as per Chapter VII of the Finance (No. 2) Act, 2004 are as under:

Transaction	Rates	Payable By
Purchase/sale of equity shares, units of equity-oriented mutual fund (delivery based)	0.125 percent	Purchaser/seller
fund (delivery based)		
Sale of equity shares, units of equity oriented mutual fund (non-delivery based)	0.025 percent	Seller
Sale of an option in securities	0.017 percent	Seller
Sale of an option in securities, where option is exercised	0.125 percent	Purchaser
Sale of a futures in securities	0.017 percent	Seller
Sale of unit of an equity-oriented fund to the Mutual Fund	0.25 percent	Seller

4. Wealth tax

Wealth tax is imposed @ 1 percent on the value of specified assets held by the taxpayer on the valuation date (31 March) in excess of the basic exemption of INR 10,000,000

5. Dividend Distribution Tax (DDT)

- Domestic Companies are liable to pay DDT @ 15 percent on dividends. Any dividend to a company or non-resident in respect of which DDT has been paid, is exempt from income-tax
- For the purposes of computing DDT payable by a domestic company, the amount of dividend received by a domestic company will be reduced if:
 - such a dividend is received from its subsidiary
 - the subsidiary has paid DDT on such dividend
- An equity-oriented mutual fund is liable to pay income distribution tax of 5 percent. Income received by unit holders from an equity-oriented mutual fund is exempt from income-tax
- The life insurer of an approved equity-oriented life insurance scheme is liable to pay income distribution tax of 5 percent. Deduction is available to policy holders in respect of income on which such distribution tax has been paid.

6. Special rates for non-residents

1. The following incomes in the case of non-resident are taxed at special rates:

Nature of income	Rates
Dividend ^(a)	20 percent
Interest	20 percent
Income received in respect of units of a fund ^(b)	20 percent
Royalty or fees for technical services	20 percent
Income by way of insurance including reinsurance	20 percent
Income from lottery or crossword puzzle, race including horse race, games, gambling or betting	30 percent

(a) Other than dividends on which DDT has been paid

(b) Other than income on which tax on distributed income has been paid

(2) Tax on non-resident sportsmen or sports association on specified income @ 10 percent.

7. Capital Gains

- No special rates are provided for capital gains under the DTC. Capital gains tax is levied at normal rates as mentioned above
- However, in respect of capital gains arising on transfer of equity shares or a unit of an equity-oriented fund on which STT has been paid, deduction would be allowed as under:
 - 100 percent in case aforesaid investment assets are held for more than one year
 - 50 percent in case aforesaid investment assets are held for one year or less.

Tax deduction at source

Deductee: Resident

Nature of payment	Rates proposed by DTC
Payment in respect of : 1) works contract 2) service contract 3) broadcasting and telecasting 4) supply of labour for carrying out any works/service contract 5) advertising 6) carriage of goods and passengers by any mode of transport other than by railways.	2 percent
Interest	10 percent
Dividend other than dividend on which DDT is paid	10 percent
Income distributed by mutual fund on which income distribution tax is not paid:	
1) in case recipient is an individual or a HUF	10 percent
2) any other deductee	20 percent
Payment made by a life-insurer in respect of a life insurance policy except in case of certain payments	
1) in case recipient is an individual or a HUF	10 percent
2) any other deductee	20 percent
Commission, brokerage, remuneration or prize for rendering of any services	10 percent
Fees for professional or technical services	10 percent
Royalty payment or non-compete fee	10 percent
Payment for compensation on compulsory acquisition of immovable property other than agricultural land	10 percent
Rent—	
(i) for the use of machinery or plant or equipment	2 percent
(ii) for the use of any land or building (including factory building) or land appurtenant to a building (including factory building) or furniture or fittings	10 percent
Winnings from any lottery or crossword puzzle or card game or other game of any sort	30 percent
Winnings from any horse race.	30 percent

Tax deduction at source

Deductee: Non resident

Nature of payment	Rates proposed by DTC
Interest	20 percent
Dividend other than dividend on which DDT is paid	20 percent
Income distributed by mutual fund on which income distribution tax is not paid	10 percent
Fees for royalty or fees for technical services	20 percent
Winnings from any lottery or crossword puzzle or card game or other game of any sort	30 percent
Winnings from any horse race.	30 percent
Payment to a non-resident sportsman (not being a citizen of India) in specified cases	10 percent
Payment by way of guarantee money to a non-resident sports association or institution in relation to any game or sports played in India	10 percent
Any other sum chargeable to tax	30 percent

Note: Where the non-resident is entitled to the benefit of lower rate of tax on any item of income specified in a tax treaty signed by India, the withholding tax rate to be capped at such beneficial rate.

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