

**Press Information Bureau
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Ministry of Finance**

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**Exemption Limit for Individual Taxpayers Raised to Rs. 2 Lakh
Upper Limit of 20 Per Cent Tax Slab Raised to Rs. 10 Lakh
Deduction up to Rs. 10,000 Proposed for Savings Bank Interest
Senior Citizens not Having Income from Business Exempted from Payment of
Advance Tax**

The exemption limit for the general category of individual taxpayers has been enhanced to Rs. 2,00,000 from Rs. 1,80,000 in the General Budget 2012-13, presented by the Union Finance Minister Shri Pranab Mukherjee in the Lok Sabha here today. This measure will provide tax relief upto Rs. 2,000 to every taxpayer in this category.

The Finance Minister, Shri Mukherjee introduced the DTC (Direct Taxes Code) rates for personal income tax, marking progress in the direction of movement towards DTC and GST (Goods and Services Tax).

It has also been proposed to raise the upper limit of 20 per cent tax slab from Rs. 8 lakh to Rs. 10 lakh. The proposed personal income tax slabs are:

Income upto Rs. 2 lakh	Nil
Income above Rs. 2 lakh and upto Rs. 5 lakh	10 per cent
Income above Rs. 5 lakh and upto Rs. 10 lakh	20 per cent
Income above Rs. 10 lakh	30 per cent

In another relief to the individual taxpayers, a deduction of upto Rs. 10,000 has been proposed for interest from savings bank accounts. This would help a large number of small taxpayers with salary incomes upto Rs. 5 lakh and interest from savings bank accounts upto Rs. 10,000 as they would not be required to file income tax returns.

It has also been proposed to allow deduction of Rs. 5,000 for preventive health check up.

For senior citizens not having income from business, it has been proposed to exempt them from payment of advance tax.

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