

## Highlights Of Finance Bill 2024

The Finance Bill constitutes an integral component of the Indian Union Budget, outlining the necessary legal amendments for proposed taxation changes put forth by the Finance Minister. Approval of the Finance Bill, classified as a Money Bill, is essential through the lower house of Parliament, Lok Sabha, culminating in its transformation into the Finance Act.

### Key Highlights of the Finance Bill 2024 is as follows

#### 1. Proposed Changes in Tax Rates

No changes in tax rates are proposed by Finance Bill, 2024

#### 2. Proposed amendments w.r.t. Deductions and Exemptions

Following amendments are proposed for deductions/ exemptions:

| Sections | Particulars   | Existing Condition  | Proposed Amendment   |
|----------|---|---|--|
| 10(23FE) | Exemption to the wholly owned subsidiary of ADIA or Sovereign wealth fund or pension fund           | Exemption for specified investment between 01/04/2020 to 31/03/2024 | Exemption for specified investment between 01/04/2020 to <b>31/03/2025</b> |
| 80-IAC   | Deduction for profits and gains of eligible start-ups   | Entity should be incorporated on or before 31/03/2024               | Entity may be incorporated on or before <b>31/03/2025</b>                  |
| 10(4D)   | Exemption to specified fund   | Commencement of operations on or before <b>31/03/2025</b>           | Commencement of operations on or before <b>31/03/2025</b>                  |
| 10(4F)   | Exemption to royalty or interest income received by a non-resident from lease of aircraft or a ship |   |  |
| 80LA     | Deduction to Off-shore Banking Units and IFSC   |   |  |

#### 3. Proposed amendments w.r.t. Faceless Scheme

- To implement the faceless regime in Section 92CA, Section 144C, Section 253 and Section 255, it was provided that the CBDT shall issue the necessary directions by 31/03/2024
- It is proposed to amend the aforesaid Sections to allow the issue of necessary directions by 31/03/2025.
- The following faceless schemes are covered in the above sections:

| <b>Sections</b> | <b>Particulars</b>                           |
|-----------------|--|
| 92CA            | Faceless determination of arm's length price |
| 144C            | Faceless Dispute Resolution Panel            |
| 253             | Faceless appeal to Appellate Tribunal        |
| 255             | Faceless procedure of Appellate Tribunal     |

#### **4. Proposed amendments w.r.t. TCS**

- The Finance Bill proposes the necessary amendments to Section 206C(1G) to restore the threshold of INR. 7 lakhs per financial year for TCS on all categories (except the sale of overseas tour program packages) of foreign remittances made under the Liberalised Remittance Scheme (LRS) w.e.f. 01-10-2023
- In the case of 'sale of overseas tour program package', the TCS rate shall be 5% for remittances up to INR 7 lakh, and 20% for remittances exceeding INR 7 lakhs.
- The Finance Bill, 2024 proposes to insert the sixth proviso to provide that the collection of tax at source during the period 01-07-2023 to 30-09-2023 shall be in accordance with provisions of Section 206C(1G) as they stood on 01-04-2023.

#### **5. Proposed amendments w.r.t. Outstanding Tax Demand**

- In the budget speech, Hon'ble Finance Minister proposed to withdraw or waive off the small, unresolved, unverified, or disputed direct tax demands pertaining to the financial years up to 2014-15.
- The proposal aims to waive off the recovery of the old outstanding demands up to INR 25,000 for the period up to financial year 2009-10 and up to INR 10,000 for financial years 2010-11 to 2014-15.