

# Income-tax relief for small taxpayers

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**NEW DELHI:** Acknowledging the role of taxpayers in nation building, finance minister Arun Jaitley on Monday provided some relief to the small taxpayers through rebates.

The finance minister raised the ceiling of rebate for taxpayers with up to ₹5 lakh annual income from ₹2,000 to ₹5,000. Effectively, this means now the basic exemption is of ₹3 lakh. This also means there will be a reduction of ₹5,000 from the tax amount paid by people with salaries of up to ₹5 lakh or below. This tax rebate has been provided under Section 87 A of the Income Tax Act.

“Over 20 million small taxpayers to get relief of ₹3,000 in their tax liability” said Jaitley.

At present, for HUFs and a resident individual below 60 years of age, income up to ₹2,50,000 is exempt from tax, income from ₹250,001 to ₹5,00,000 is taxed at 10%, from ₹5,00,001 to ₹10,00,000 at 20% and above ₹10 lakh at 30%. A total cess of 3% of the income tax payable is also levied.

Tax relief has also been provided to first-time home buyers. The finance minister announced deduction for additional interest of ₹50,000 per annum for loans up to ₹35 lakh sanctioned in 2016-17 for first time home buyers, where house cost does not exceed ₹50 lakh.