

NEWS ALERT

REFRESHED CODE

For individuals

Tax exemption at all three stages—savings, accretions and withdrawals—to be allowed for provident funds, pension scheme administered by PFRDA, pure life insurance products & annuity schemes. DTC wanted to tax withdrawals

Proposal to introduce Retirement Benefits Account for depositing amounts received by salaried as retirement benefits such as gratuity to avoid taxes scrapped

Monetary limits for medical facilities and reimbursement provided by employers to be enhanced

For investors

Income from capital gains on equities and units of equity oriented funds, both short term and long term, to be treated as income from ordinary sources and taxed accordingly
STT to be retained & calibrated based on revised taxation regime for capital gains & flow of funds to the capital market

For companies

Basis of calculation of MAT changed to book profit of the company from value of gross assets proposed in DTC

Existing units in SEZ to enjoy profit-linked deductions just like the developers of these zones for a limited period when the new code comes

CBDT has also softened the blow on the tax treatment of house property by scrapping the proposal to compute gross rent on 6% of the cost of construction or acquisition. The salaried class too has been spared of a higher tax burden on perks.



Direct Taxes Code Watered Down To Keep All Happy

The government has retained the form, but abandoned the spirit of the Direct Taxes Code (DTC) to have a simple, clean tax system without exemptions. A revised discussion paper on the Direct Taxes Code, released by the Central Board of Direct Taxes (CBDT) on Tuesday, dropped many controversial proposals of the original draft code to help individuals and companies save on their tax outgo.

These include levying minimum alternate tax (MAT) on gross assets and taxing savings schemes such as the public provident fund at the time of maturity. Companies will pay MAT on book profits.

A dilution of the proposals in the draft code would mean a huge revenue loss for the government, which, in turn, will impact fiscal deficit. The trade-off could be to scale down the liberal tax slabs for individuals proposed in the original code. And that is bad news for taxpayers.

Unilever Invests In Staff Health, Saves £300,000 In 2 Years

Consumer products major Unilever is introducing nutritional food labelling across its subsidiaries the world over as part of a project to encourage employees to eat healthy and lose weight. Food available at the canteen will be labelled for calories, sugar, fat and salt. The move is the result of a year-long health pilot in the UK which resulted in clear benefits to employees and the business.

Unilever saved £300,000 over the past two years as a result of the health and well-being programme, termed The Lamplighter Project, which was designed to improve nutrition and fitness of employees. While the project was originally tailored for senior leaders, it now reaches out to 35,000 employees in 30 countries, including those in Unilever's plantations and factories. The group found the programme reducing short-term sickness absence and improving productivity and overall performance.