

# TAXBOOK<sup>+</sup>

## Working steps of solutions

### Rates of Tax

### Build Your Confidence (BYC)

#### B1. Mrs. Super Senior.....

Total income	Rs.
First 5,00,000 @ Nil	0
Next 5,00,000 @ 20%	1,00,000
Next 2,00,000 @ 30%	60,000
<b>Tax on total income</b>	<b>1,60,000</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh	-
	1,60,000
Add: Surcharge: Nil since TI ≤ 50 lakh	-
	1,60,000
Add: HEC @ 4%	6,400
<b>Tax liability</b>	<b>1,66,400</b>

#### B2. Mr. PK is a non-resident .....

Computation	Rs.
First 2,50,000 @ Nil	Nil
Next 2,50,000 @ 5%	12,500
Next 5,00,000 @ 20%	1,00,000
Next 5,00,000 @ 30%	1,50,000
<b>Tax on total income</b>	<b>2,62,500</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh	-
	2,62,500
Add: Surcharge: Nil since TI ≤ 50 lakh	-
	2,62,500
Add: HEC @ 4%	10,500
<b>Tax liability</b>	<b>2,73,000</b>

#### B3. Mr. Senior, a resident, turns 60 years of age .....

Computation	Rs.
First 3,00,000 @ Nil	Nil
Next 2,00,000 @ 5%	10,000
Next 5,00,000 @ 20%	1,00,000
Next 10,00,000 @ 30%	3,00,000

<b>Tax on total income</b>	<b>4,10,000</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh	-
	4,10,000
Add: Surcharge: Nil since TI ≤ 50 lakh	-
	4,10,000
Add: HEC @ 4%	16,400
<b>Tax liability</b>	<b>4,26,400</b>

**B4. Mr. Young, aged 42 years, has total income of 60 lakh .....**

Total income	Rs.
First 2,50,000 @ Nil	Nil
Next 2,50,000 @ 5%	12,500
Next 5,00,000 @ 20%	1,00,000
Next 50,00,000 @ 30%	15,00,000
<b>Tax on total income</b>	<b>16,12,500</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh	-
	16,12,500
Add: Surcharge @ 10% as TI > 50 lakh and up to 1 crore	1,61,250
	17,73,750
Add: HEC @ 4%	70,950
<b>Tax liability</b>	<b>18,44,700</b>

**B5. MASTER QUESTION - Mrs. Taxing, turns 60 years of age on 1<sup>st</sup> April 2022. ....**

Total income	Rs.	Rs.
First 2,50,000 @ Nil		Nil
Next 2,50,000 @ 5%		12,500
Next 5,00,000 @ 20%		1,00,000
Next 1,91,00,000 @ 30%		57,30,000
<b>Tax on total income</b>		<b>58,42,500</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh		-
		58,42,500
Add: SC @ 25% as TI > 2 crore and up to 5 crore		14,60,625
<b>Tax after SC</b>		<b>73,03,125</b>
Tax and SC cannot exceed "Tax+SC on 2 Cr + (TI – 2 Cr)" = 66,84,375 + (2,01,00,000 - 2,00,00,000)	67,84,375	
Marginal Relief	73,03,125 - 67,84,375	(5,18,750)
<b>Tax after SC and marginal relief</b>		<b>67,84,375</b>
Add: HEC @ 4%		2,71,375
<b>Tax liability</b>		<b>70,55,750</b>

**B5A. CA2021(JAN) - Compute the tax liability of Ms. Payal for AY 2022-23, a female resident aged 40 years where her.....**

<b>Total income</b>	<b>Rs.</b>	<b>Rs.</b>
First 2,50,000 @ Nil		Nil
Next 2,50,000 @ 5%		12,500
Next 5,00,000 @ 20%		1,00,000
Next 4,90,50,000 @ 30%		1,47,15,000
<b>Tax on total income</b>		<b>1,48,27,500</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh		-
		1,48,27,500
Add: SC @ 37% as TI > 5 crore		54,86,175
<b>Tax after SC</b>		<b>2,03,13,675</b>
Tax and SC cannot exceed " <b>Tax+SC on 5 Cr + (TI – 5 Cr)</b> " = 1,85,15,625 + (5,00,50,000 - 5,00,00,000)	1,85,65,625	
Marginal Relief	2,03,13,675 – 1,85,65,625	(17,48,050)
<b>Tax after SC and marginal relief</b>		<b>1,85,65,625</b>
Add: HEC @ 4%		7,42,625
<b>Tax liability</b>		<b>1,93,08,250</b>

**B6. Mr. Taxing, aged 56 years, has furnished the following details of his total income for PY 2021-22. ....**

Total income = Rs. 50,50,000

<b>Computation</b>	<b>Rs.</b>	<b>Rs.</b>
First 2,50,000 @ Nil		Nil
Next 2,50,000 @ 5%		12,500
Next 5,00,000 @ 20%		1,00,000
Next 40,50,000 @ 30%		12,15,000
<b>Tax on total income</b>		<b>13,27,500</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh		-
		58,42,500
Add: Surcharge @ 10% as TI > 50 lakh and up to 1 crore		1,32,750
<b>Tax after SC</b>		<b>14,60,250</b>
Tax and SC cannot exceed " <b>Tax on 50 L + (TI – 5 L)</b> " = 13,12,500 + (50,50,000 - 50,00,000)	13,62,500	
Marginal Relief	14,60,250 - 13,62,500	(97,750)
<b>Tax after SC and marginal relief</b>		<b>13,62,500</b>
Add: HEC @ 4%		54,500
<b>Tax liability</b>		<b>14,17,000</b>

**B7. Mr. Hero, aged 45 years, has total income of Rs. 5,01,00,000 .....**

Total income	Rs.	Rs.
First 2,50,000 @ Nil		Nil
Next 2,50,000 @ 5%		12,500
Next 5,00,000 @ 20%		1,00,000
Next 4,91,00,000 @ 30%		1,47,30,000
<b>Tax on total income</b>		<b>1,48,42,500</b>
Less: Rebate u/s 87A: Nil since TI > 5 lakh		-
		1,48,42,500
Add: SC @ 25% as TI > 2 crore and up to 5 crore		54,91,725
<b>Tax after SC</b>		<b>2,03,34,225</b>
Tax and SC cannot exceed " <b>Tax+SC on 5 Cr + (TI – 5 Cr)</b> " = 1,85,15,625 + (5,01,00,000 - 5,00,00,000)	1,86,15,625	
Marginal Relief	2,03,34,225 - 1,86,15,625	(17,18,600)
<b>Tax after SC and marginal relief</b>		<b>1,86,15,625</b>
Add: HEC @ 4%		7,44,625
<b>Tax liability</b>		<b>1,93,60,250</b>

**B8. Mrs. Mature, a resident, was born on 1<sup>st</sup> April 1962. ....**

Age of Mrs. Mature is 60 years as on 31.3.2022 as per Circular 28/2016. Since she is a resident, she is a senior citizen for PY 2021-22.

Total income	Rs.
First 3,00,000 @ Nil	Nil
Next 2,00,000 @ 5%	10,000
<b>Tax on total income</b>	<b>10,000</b>
Less: Rebate u/s 87A = Lower of (a) 10,000 or (b) 12,500	(10,000)
<b>Tax after rebate</b>	<b>Nil</b>
Add: HEC @ 4%	Nil
<b>Tax liability</b>	<b>Nil</b>

**B9. Mr. PK is a non-resident and 35 years of age. ....**

Computation	Rs.
First 2,50,000 @ Nil	Nil
Next 50,000 @ 5%	2,500
<b>Tax on total income</b>	<b>2,500</b>

Less: Rebate u/s 87A: Nil since he is a non resident	-
<b>Tax after rebate</b>	2,500
Add: HEC @ 4%	100
<b>Tax liability</b>	<b>2,600</b>

**B10. Mr. Hero, resident aged 30 years, has total income of Rs. 4 lakh .....**

Computation	Rs.
First 2,50,000 @ Nil	Nil
Next 1,50,000 @ 5%	7,500
<b>Tax on total income</b>	<b>7,500</b>
Less: Rebate u/s 87A = Lower of Rs. 7,500 or Rs. 12,500	(7,500)
<b>Tax after rebate</b>	<b>Nil</b>
Add: HEC @ 4%	Nil
<b>Tax liability</b>	<b>Nil</b>

**B11. Mr. X, resident aged 36 years, has total income of Rs. 1.51 crore for PY 2021-22 comprising business income of.....**

Particulars	Rs.
Tax on long term capital gain u/s 112A (exceeding Rs. 1 lakh) @ 10% of Rs. 15 lakh	1,50,000
Tax on short term capital gain u/s 111A @ 15% of Rs. 10 lakh	1,50,000
Tax on other income of Rs. 1.25 crore	35,62,500
Tax on total income	38,62,500
Less: Rebate u/s 87A: Not available as TI > Rs. 5 lakh	-
	38,62,500
Add : SC @ 15% as TI is > Rs. 1 crore and up to Rs. 2 crore	5,79,375
Tax and SC	44,41,875
Add : HEC @ 4%	1,77,675
<b>Tax liability</b>	<b>46,19,550</b>

**B12. Mr. Q, resident aged 66 years, has total income of Rs. 4 crore for PY 2021-22 comprising business income of.....**

Particulars	Rs.
Tax on long term capital gain u/s 112 @ 20%	10,00,000
Tax on short term capital gain u/s 111A @ 15%	3,75,000
Tax on other income	95,60,000
Tax on total income	1,09,35,000
Less: Rebate u/s 87A: Not available as TI > Rs. 5 lakh	-
	1,09,35,000
Add : SC @ 15% on tax u/s 111A and @ 25% of tax on other income since TI > Rs. 2 crore and income, other than that u/s 111A, is > Rs. 2 crore	26,96,250
Tax and SC	1,36,31,250

Add : HEC @ 4%	5,45,250
<b>Tax liability</b>	<b>1,41,76,500</b>

**B13. MASTER QUESTION - Mr. B, resident aged 85 years, has total income of Rs. 60 lakh for PY 2021-22 comprising.....**

Particulars	Rs.
Tax on long term capital gain u/s 112 @ 20%	2,00,000
Tax on short term capital gain u/s 111A @ 15%	1,50,000
Tax on winning from lottery u/s 115BB @ 30%	3,00,000
Tax on other income	7,00,000
Tax on total income	13,50,000
Less: Rebate u/s 87A: Not available as TI > Rs. 5 lakh	-
	13,50,000
Add : SC @ 10% as TI > Rs. 50 lakh and up to Rs. 1 crore	1,35,000
Tax and SC	14,85,000
Add : HEC @ 4%	59,400
<b>Tax liability</b>	<b>15,44,400</b>

**B14. MASTER QUESTION - Compute the tax liability of Mr. Jacob in the following cases .....**

Particulars	I	II	III	IV	V
Residential status	Resident	Non resident	Resident	Resident	Resident
Age	36	66	86	45	61
Total income	4,50,000	3,85,000	65,00,000	3,65,00,000	4,70,000
Nature of income	Business income	Salary	Salary	Business income	Lottery prize
<b>Tax on total income (30% in Case V u/s 115BB)</b>	10,000	6,750	17,50,000	1,07,62,500	1,41,000
Less: Rebate u/s 87A for resident individual if TI ≤ 5 lakh	(10,000)	-	-	-	(12,500)
	-	6,750	17,50,000	1,07,62,500	1,28,500
Add: Surcharge if TI > 50 lakh (@ 10% in Case III; @ 25% in Case IV)	-	-	1,75,000	26,90,625	-
	-	6,750	19,25,000	1,34,53,125	1,28,500
Add: HEC @ 4%	-	270	77,000	5,38,125	5,140
<b>Tax liability</b>	-	<b>7,020</b>	<b>20,02,000</b>	<b>1,39,91,250</b>	<b>1,33,640</b>