

TAXBOOK⁺

Working steps of solutions

Rates of Tax

Build Your Confidence (BYC)

B1. Mrs. Super Senior.....

Computation	Rs.
Total income	
First 5,00,000 @ Nil	0
Next 5,00,000 @ 20%	1,00,000
Next 2,00,000 @ 30%	60,000
Tax on total income	1,60,000
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
Tax liability	1,66,400

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
Tax on total income	2,62,500
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
Tax liability	2,73,000

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

Tax on total income	4,10,000
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
Tax liability	4,26,400

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
Tax on total income	16,12,500
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
Tax liability	18,44,700

B5. MASTER QUESTION - Mrs. Taxing, turns 60 years of age on 1st April 2022.

A person born on 1 April of a particular year is said to have completed a particular age on 31 March on the preceding day of his/her birthday. However, the question does not state that Mrs. Taxing was born on 1 April. Rather, it states that she turns 60 years of age on 1 April 2022. Therefore, she is not a senior citizen for PY 2021-22.

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
Tax on total income		58,42,500
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
Tax after SC		73,03,125
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)
Tax after SC and marginal relief		67,84,375

Add: HEC @ 4%		2,71,375
Tax liability		70,55,750

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

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

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

Computation	Rs.	Rs.
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
Tax on total income		13,27,500
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
Tax after SC		14,60,250
Tax and SC cannot exceed " Tax on 50 L + (TI – 5 L) " = 13,12,500 + (50,50,000 - 50,00,000)	13,62,500	
Marginal Relief	14,60,250 - 13,62,500	(97,750)

Tax after SC and marginal relief		13,62,500
Add: HEC @ 4%		54,500
Tax liability		14,17,000

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
Tax on total income		1,48,42,500
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
Tax after SC		2,03,34,225
Tax and SC cannot exceed " Tax+SC on 5 Cr + (TI – 5 Cr) " = 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)
Tax after SC and marginal relief		1,86,15,625
Add: HEC @ 4%		7,44,625
Tax liability		1,93,60,250

B8. Mrs. Mature, a resident, was born on 1st 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
Tax on total income	10,000
Less: Rebate u/s 87A = Lower of (a) 10,000 or (b) 12,500	(10,000)
Tax after rebate	Nil
Add: HEC @ 4%	Nil
Tax liability	Nil

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

Computation	Rs.
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First 2,50,000 @ Nil	Nil
Next 50,000 @ 5%	2,500
Tax on total income	2,500
Less: Rebate u/s 87A: Nil since he is a non resident	-
Tax after rebate	2,500
Add: HEC @ 4%	100
Tax liability	2,600

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
Tax on total income	7,500
Less: Rebate u/s 87A = Lower of Rs. 7,500 or Rs. 12,500	(7,500)
Tax after rebate	Nil
Add: HEC @ 4%	Nil
Tax liability	Nil

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
Tax liability	46,19,550

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
Tax liability	1,41,76,500

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
Tax liability	15,44,400

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
Tax on total income (30% in Case V u/s 115BB)	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
Tax liability	-	7,020	20,02,000	1,39,91,250	1,33,640

TAXBOOK⁺

Hints to solutions

Rates of Tax

MCQ

M1. Suhani, a resident aged 30 years and having a total income of Rs. 4,90,000 for the PY 2021-22, computed.....

Correct sequence is tax on total income, rebate u/s 87A, SC, HEC

M5. Romit is a resident in India of age 60 years. He wants to know the maximum total income he can have.....

Romit is senior citizen. Tax on TI of 5L = 10,000 – Rebate u/s 87A 10,000 = Nil. Rebate not available over TI of 5L.

M6. Mrs. Sharma is a resident in India of age 80 years. She wants to know the maximum total income she can.....

BEL for super senior citizen is 5L. Rebate u/s 87A is not available if TI > 5L.

M7. Mr. John is a non-resident individual of age 70 years as on 31.3.2022. He wants to know the maximum.....

BEL is 2.5L and rebate u/s 87A is not available to non resident.

M8. Basic exemption limit for AY 2022-23 for Mrs. World, a non-resident, who turns 60 years of age on.....

Non resident is not a senior citizen. BEL of 2.5L will apply.

M9. Basic exemption limit for AY 2022-23 for Mr. World, a resident, who turns 80 years of age on 1st April.....

He is not a super senior citizen at any time during PY 2021-22. He is a senior citizen.

M10. Ruma, an individual of age 40 years having total income of Rs. 2.5 lakh, wants to know the highest tax.....

Tax is not leviable upto TI of 2.5L

M11. Rocky is a non-resident individual of age 60 years having total income of Rs. 3 lakh for the PY....

Rocky is not a senior citizen as he is a non resident. Normal tax rate slab will apply @ 5% for TI upto 5L

M12. Mr. Jagan is a resident individual of age 80 years having total income of Rs. 10 lakh for the PY.....

Super senior citizen is chargeable at 20% rate for TI exceeding 5L and up to 10L.

M13. Mr. Jain is an elderly individual resident in India. He wants to know whether, based on his date of birth.....

Resident individual born on 1.4.1962 will be 60 years of age on 31.3.2022 and will thus be a senior citizen for PY 2021-22 entitled to BEL of 3L. Similarly, a resident individual born on 1.4.1942 will be 80 years of age on 31.3.2022 and will thus be a super senior citizen for PY 2021-22 entitled to BEL of 5L. Thus, date of birth should be 1.4.1962 or before to become a senior citizen or super senior citizen for PY 2021-22.

M14. Rashmi, aged 40 years, has total income of Rs. 50 lakh for PY 2021-22. Her tax liability would be.....

Tax = 13,12,500 + 4% HEC of 52,500 = 13,65,000. SC Nil up to TI of 50L.

M16. Roma, aged 35 years, has a total income of Rs. 6.5 crore which includes dividend income and income.....

SC in respect of dividend/111A/112A cannot exceed 15%. 37% SC on tax on other income since it exceeds 5 crore.

M17. Rishi, aged 50 years, has a total income of 5 crore, comprising business income, for the PY....

Tax on 5 Cr = 1,48,12,500. SC @ 25% = 37,03,125. HEC @ 4% on Tax+SC = 7,40,625. Total = 1,92,56,250.

M22. Kapil, resident of age 55 years, has a total income of Rs. 55 lakh for PY 2021-22. Compute the amount.....

Tax + SC = 14,62,500 + 1,46,250 = 16,08,750. HEC @ 4% = 64,350.

M24. Compute the tax liability of Mrs. Z, a resident of age 55 years, having a total income of Rs. 102 lakh for....

Tax on TI = 28,72,500. SC @ 15% = 4,30,875.

A: Tax and SC = 33,03,375

B: Tax+SC on 1 Cr + (TI – 1 Cr) = 30,93,750 + 2,00,000 = 32,93,750

Marginal relief = A – B = 9,625

Tax after SC and marginal relief = 32,93,750

HEC @ 4% = 1,31,750

Total = 34,25,500

M25. Compute the tax liability of Mr. Y, a resident of age 65 years, having a total income of Rs. 2,08,00,000.....

Tax on TI = 60,50,000. SC @ 25% = 15,12,500.

A: Tax and SC = 75,62,500

B: Tax+SC on 2 Cr + (TI – 2 Cr) = 66,81,500 + 8,00,000 = 74,81,500

Marginal relief = A – B = 81,000

Tax after SC and marginal relief = 74,81,500

HEC @ 4% = 2,99,260

Total = 77,80,760

M26. Compute the amount of marginal relief from surcharge available to Mr. Q, a resident of age 85.....

STCG from sale of plots of land is not covered u/s 111A or 112A.

Tax on TI = 1,57,00,000. SC @ 37% = 58,09,000.

A: Tax and SC = 2,15,09,000

B: Tax+SC on 5 Cr + (TI – 5 Cr) = 1,85,00,000 + 30,00,000 = 2,15,00,000

Marginal relief = A – B = 9,000

M27. Compute the amount of marginal relief from surcharge available to Mr. T, a resident of age 45.....

Tax on TI = 13,87,500. SC @ 10% = 1,38,750.

A: Tax and SC = 15,26,250

B: Tax+SC on 50 lakh + (TI – 50 lakh) = 13,12,500 + 2,50,000 = 15,62,500

Marginal relief = A – B = Nil

M28. Total income of an artificial juridical person is Rs. 4,10,000 for PY 2021-22. Income-tax, rebate u/s 87A.....

Tax on TI = 8,000. Rebate u/s 87A = Nil as not allowed to AJP. SC = Nil as TI ≤ 50L.

M31. An assessee has total income of Rs. 1,000 for the PY 2021-22. Under which of the following options.....

BEL for co-operative society is 10,000. It is Nil for LLP, firm, company, local authority.

M32. Rate of tax is not 30% for AY 2022-23 in which of the following cases.....

Rate for foreign company is 40% (50% on royalty/FTS in certain cases).
Rate for BCD Ltd. is 30% as total turnover of PY 2019-20 > 400 crore.

M33. Delhi Municipal Corporation, BNP & Co. partnership firm and Vadodara co-operative society are.....

SC is leviable @ 12% for TI > 1 crore.

M34. Which of the following is not true?.....

Rate of SC is based on total income, not on total turnover.

M35. Mr. Y, a resident of age 75 years, won a lottery prize of Rs. 60 lakh on 15.9.2021. He has no other source.....

Tax = 30% of 60 lakh = 18,00,000. SC @ 10% = 1,80,000. HEC @ 4% on Tax+SC = 79,200. Total = 20,59,200

M36. Mr. P, a resident of age 65 years, has total income for AY 2022-23 comprising long term capital gain u/s.....

Tax = 1,20,00,000 (20% of 6 crore) + 1,10,000 (tax on 10 lakh) = 1,21,10,000. SC @ 37% = 44,80,700. Tax + SC = 1,65,90,700. Tax/SC + HEC = 1,72,54,328.

M37. Mr. Q, a resident of age 55 years, has total income for AY 2022-23 comprising short term capital gain.....

Tax = 90,00,000 (15% of 6 crore) + 1,12,500 (tax on 10 lakh) = 91,12,500. SC @ 15% = 13,66,875, as TI > Rs. 2 crore and income, other than u/s 111A, is up to Rs. 2 crore. Tax + SC = 1,04,79,375. Tax/SC + HEC = 1,08,98,550.

M39. Mr. Swindle is found to be the owner of two gold chains of 30 gms each (market value of both.....

Income taxable u/s 69B = Unexplained excess	2,90,000 – 50,000 = 2,40,000
Tax on 2,40,000 @ 60%	1,44,000
Add: SC @ 25%	36,000
	1,80,000
Add: HEC @ 4%	7,200
Tax liability u/s 115BBE	1,87,200