

7. INCOME TAX

Rates of Income Tax:

Taxable Income	Rate	
	Income Tax	Surcharge
1. up to Rs. 50,000		Nil
2. 50,001 to 60,000	10% of the amount exceeding Rs. 50,000	Nil
3. 60,001 to 1,50,000	Rs.1,000 + 20% exceeding Rs.60,000	5%
4. Exceeding 1,50,000	Rs.19,000 + 30% of the amount exceeding Rs.1,50,000	5%

Rate of Standard Deduction

Salary	Standard deduction
1. If salary does not exceed Rs.1,50,000	1/3 rd of the salary subject to maximum of Rs.30,000
2. If salary exceeds Rs.1,50,000 but does not exceed Rs.3,00,000	Rs.25,000
3. If salary exceeds Rs.3,00,000 but does not exceed Rs.5,00,000	Rs.20,000
4. If salary exceeds Rs.5,00,000	Nil

- Ram's monthly salary is Rs.1,20,000. He contributes Rs.500 per month towards Provident Fund. Calculate the amount of income tax he has to pay.
- Laxmi's annual income from salary is Rs.2,40,000. She pays an annual LIC premium of Rs.5,000 and contributes Rs.2,000 per month to Provident Fund. She invests Rs.15,000 in NSCs and donates Rs.5,000 to PM's National Relief Fund that carries 100% tax relief. Calculate the income tax she has to pay for the year. If Rs.2,250 is deducted at source an income tax from her salary for eleven months, how much tax does she pay in the last month.
- Sulaiman is a senior citizen aged 71 years. He gets a pension of Rs.18,000 every month. He contributes Rs.60,000 towards PPF and Rs.10,000 in NSCs. He donates Rs.10,000 towards PM's National Relief Fund. Compute the income tax to be paid by him.
- Savita's monthly salary is Rs.12,000. She contributes Rs.600 per month towards PF and pays annual LIC premium of Rs.3,000. Find the income tax she has to pay.
- Mr. Sharma gets a monthly salary of Rs.55,000. He contributes Rs.5,000 per month towards PF and pays an half-yearly LIC premium of Rs.3,000. He invests Rs.20,000 in infrastructure Bonds. Find the income tax to be paid by him.

ANSWERS

1. Rs. 6,090
2. Rs.26,670, Rs.1,920
3. Rs.2,940
4. Rs.4,998
5. Rs.1,80,600, Rs.15,600

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