

Illustration of new tax slabs

Particulars	Pre-Budget	Post-Budget	Savings
Mr. Mukherji's Salary Income for the Year	Rs 10,00,000	Rs 10,00,000	
Investments under section 80C	Rs 1,00,000	Rs 1,00,000	
Additional Investments in Long-term Infrastructure Bonds	Rs 20,000	Rs 20,000	
Computation of Taxable Income			
Salary Income	Rs 10,00,000	Rs 10,00,000	
Less: Deductions for:			
- Savings under Section 80C	Rs 1,00,000	Rs 1,00,000	
- Investment in Long Term Infrastructure Bonds	Nil	Rs 20,000	
Net Taxable Income	Rs 9,00,000	Rs 880,000	
Computation of Tax Liability			
Tax Liability on:			
- Rs 0 to Rs 160,000	Nil	Nil	Nil
- Rs 160,001 to Rs 300,000	Rs 14,000	Rs 14,000	Nil
- Rs 300,001 to Rs 500,000	Rs 40,000	Rs 20,000	Rs 20,000
- Rs 500,001 to Rs 800,000	Rs 90,000	Rs 60,000	Rs 30,000
- above Rs 800,001	Rs 30,000	Rs 24,000	Rs 6,000
Total Income Tax	Rs 1,74,000	Rs 1,18,000	Rs 56,000
Add : Education Cess	Rs 5,220	Rs 3,540	Rs 1,680
Total Tax Liability	Rs 1,79,220	Rs 1,21,540	Rs 57,680