

Tax Reckoner for FY 2019-20 (AY 2020-21)

The Tax Structure given below is for investments in Mutual Funds only.

Individuals / HUF		
	Equity-oriented schemes*	Debt oriented schemes/ Money Market and Liquid Schemes
Dividend	NIL	NIL
Dividend Distribution Tax (DDT, payable by the Scheme)[§]	10% + 12% surcharge + 4% cess = 11.648%	25% + 12% surcharge + 4% cess = 29.12%
Long Term Capital Gains[^]	10%	20%
Short Term Capital Gains[^]	15%	Slab Rate
<p>* Securities Transaction Tax (STT) shall be payable on equity oriented mutual fund schemes at the time of redemption / switch to the other schemes / sale of units.</p> <p>§ The above-mentioned rate is without considering the grossing up. For the purpose of determining the tax payable by the scheme, the amount of distributed income has to be increased to such amount as would, after reduction of tax on such increased amount, be equal to the income distributed by the Mutual Fund. In other words, the amount payable to unit holders is to be grossed up for determining the tax payable and accordingly, the effective tax rate would be higher.</p> <p>[^]Units held in equity-oriented schemes for a period of more than 12 months is considered as Long-Term Capital Gains and for a period of 12 months or less is considered as Short-Term Capital Gains. Units held in debt-oriented schemes for a period of more than 36 months is considered as Long-Term Capital Gains and for a period of 36 months or less is considered as Short-Term Capital Gains.</p> <ul style="list-style-type: none"> • Income-tax at the rate of 10% (without indexation benefit) on long-term capital gains exceeding Rs. 1 lakh provided transfer of such units is subject to STT. • Finance (No.2) Act, 2019 has provided for surcharge on Income Tax derived on sale of Units of Debt oriented scheme or money market and units of liquid schemes at: <ul style="list-style-type: none"> ▪ 37% on base tax where income exceeds Rs. 5 crores; ▪ 25% where income exceeds Rs. 2 crores but does not exceed Rs. 5 crores; ▪ 15% where income exceeds Rs. 1 crore but does not exceed Rs. 2 crores; and ▪ 10% where income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore. • Surcharge mentioned above is payable on base tax. Further, Health and Education Cess @4% is to be levied on aggregate of base tax and surcharge. • Long term Capital Gain tax on debt-oriented schemes will be calculated after giving indexation benefit. 		

Domestic company / firm		
	Equity-oriented schemes*	Debt oriented schemes/ Money Market and Liquid Schemes
Dividend	NIL	NIL
Dividend Distribution Tax (DDT, payable by the Scheme)[§]	10% + 12% surcharge + 4% cess = 11.648%	30% + 12% surcharge + 4% cess = 34.944%
Long Term Capital Gains[^]	10%	20%
Short Term Capital Gains[^]	15%	30% / 25%

* Securities Transaction Tax (STT) shall be payable on equity oriented mutual fund schemes at the time of redemption / switch to the other schemes / sale of units.

§ The above-mentioned rate is without considering the grossing up. For the purpose of determining the tax payable by the scheme, the amount of distributed income has to be increased to such amount as would, after reduction of tax on such increased amount, be equal to the income distributed by the Mutual Fund. In other words, the amount payable to unit holders is to be grossed up for determining the tax payable and accordingly, the effective tax rate would be higher.

^Units held in equity-oriented schemes for a period of more than 12 months is considered as Long-Term Capital Gains and for a period of 12 months or less is considered as Short-Term Capital Gains. Units held in debt-oriented schemes for a period of more than 36 months is considered as Long-Term Capital Gains and for a period of 36 months or less is considered as Short-Term Capital Gains.

- Income-tax @10% (without indexation benefit) on long-term capital gains exceeding Rs. 1 lakh provided transfer of such units is subject to STT.
- Surcharge @7% on base tax is applicable where income of domestic corporate unit holders exceeds Rs 1 crore but does not exceed 10 crores and @12% where income exceeds 10 crores.
- Surcharge mentioned in the above table is payable on base tax. Further, Health and Education Cess @4% is to be levied on aggregate of base tax and surcharge.
- Long term Capital Gain tax on debt-oriented schemes will be calculated after providing indexation benefit.
- 30% tax rate is considering that the company has a turnover exceeds Rs 400 crores for FY 2017-18.
- 25% tax rate is considering that the company has a turnover not exceeding Rs 400 crores for FY 2017-18.

Non-Resident Indian (NRI)		
	Equity-oriented schemes*	Debt oriented schemes/ Money Market and Liquid Schemes
Dividend	NIL	NIL
Dividend Distribution Tax (DDT, payable by the Scheme) §	10% + 12% surcharge + 4% cess = 11.648%	25% + 12% surcharge + 4% cess = 29.12%
Long Term Capital Gains^	10%	20%
Short Term Capital Gains^	15%	Slab Rate

* Securities Transaction Tax (STT) shall be payable on equity oriented mutual fund schemes at the time of redemption / switch to the other schemes / sale of units.

§ The above-mentioned rate is without considering the grossing up. For the purpose of determining the tax payable by the scheme, the amount of distributed income has to be increased to such amount as would, after reduction of tax on such increased amount, be equal to the income distributed by the Mutual Fund. In other words, the amount payable to unit holders is to be grossed up for determining the tax payable and accordingly, the effective tax rate would be higher.

^Units held in equity-oriented schemes for a period of more than 12 months is considered as Long-Term Capital Gains and for a period of 12 months or less is considered as Short-Term Capital Gains. Units held in debt-oriented schemes for a period of more than 36 months is considered as Long-Term Capital Gains and for a period of 36 months or less is considered as Short-Term Capital Gains.

- Income-tax @10% (without indexation benefit) on long-term capital gains exceeding Rs. 1 lakh provided transfer of such units is subject to STT.
- Surcharge mentioned in the above table is payable on base tax. Further, Health and Education Cess @4% is to be levied on aggregate of base tax and surcharge.
- Short term/ long term capital gain tax (along with applicable Surcharge and "Health and Education Cess") will be deducted at the time of redemption of units in case of NRI investors.
- Long term Capital Gain tax on debt-oriented schemes will be calculated after providing indexation benefit.

Income Tax Rates for Individual / HUF / AOP / BOI	
Total Taxable Income	Tax Rate
Upto Rs 2,50,000**	Nil
Rs 2,50,001 – 5,00,000	5%
Rs 5,00,001 – 10,00,000	20%
Rs 10,00,001 and above	30%
<p>** In case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is Rs 3,00,000. In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs 5,00,000. Finance (No.2) Act, 2019 has provided for surcharge on Income Tax derived on sale of Units of Debt oriented scheme or money market and units of liquid schemes at:</p> <ul style="list-style-type: none"> • 37% on base tax where income exceeds Rs. 5 crores; • 25% where income exceeds Rs. 2 crores but does not exceed Rs. 5 crores • 15% where income exceeds Rs. 1 crore but does not exceed Rs. 2 crores; • 10% where income exceeds Rs 50 lakhs but does not exceed Rs. 1 crore ▪ Marginal relief for such person is available. ▪ Health and Education Cess @4% on aggregate of base tax and Surcharge. ▪ Finance Act, 2019 provides a rebate of lower of actual tax liability or Rs. 12,500 (against earlier rebate of Rs. 2,500) in case of individuals having total income not exceeding Rs. 500,000 (against earlier income of Rs. 3,50,000). 	

Disclaimer: The information set out above is included for general information purposes only and does not constitute legal or tax advice. In view of the individual nature of the tax consequences, each investor is advised to consult his/her own tax consultant with respect to specific tax implications arising out of their participation in the Scheme. Income Tax benefits to the mutual fund & to unit holder is in accordance with the prevailing tax laws as certified by the mutual funds tax consultant. Any action taken by you based on the information contained herein is your responsibility alone. SBI Mutual Fund will not be liable in any manner for the consequences of such action taken by you. The information contained herein is not intended as an offer or solicitation for the purchase and sales of any schemes of SBI Mutual Fund