



SOP OPERA

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Budget 2019-20 Intercepts

- TDS threshold for deduction of tax on rent to be increased to 2.4 lakh.
- Benefits for farmers, unorganised workers, and salaried taxpayers.
- Scheme to provide income support to vulnerable ryots.
- Those earning up to Rs.5 lakh a year exempt from income tax.
- With a keen eye on the election, the interim Budget 2019-20 contained elements that are aimed at benefiting three major segments of the population — farmers, informal sector workers, and salaried taxpayers — with announcements of an income support scheme for farmers, a new pension scheme for informal sector workers, and tax exemptions for salaried workers.
- Finance Minister Piyush Goyal, in his interim Budget speech , announced the creation of the Pradhan Mantri Kisan Samman Nidhi Scheme, which is aimed at providing income support to vulnerable landholding farmers.
- Opposition party members were quick to point out that this was designed to evade the Election Commission rules regarding announcements that are allowed to be made in an election year.

Silent on funds

- The Finance Minister was, however, silent on how these high-expenditure schemes would be financed.
- Under this programme, vulnerable landholding farmer families, having cultivable land up to 2 hectares, will be provided direct income support at the rate of Rs.6,000 per year, Mr. Goyal said.
- This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal instalments of Rs.2,000 each.
- This programme will be funded by the Government of India and will entail an annual expenditure of Rs.75,000 crore.

- While keeping tax rates unchanged, the Finance Minister announced that those earning up to Rs.5 lakh a year would be exempt from income tax.
- In another move designed to appeal to the masses, he said the Tax Deduction at Source (TDS) threshold on interest earned on bank/post office deposits has been proposed to be raised from Rs.10,000 to Rs.40,000.

Fixed pension

- In a bid to win over informal sector workers, the Finance Minister announced the Pradhan Mantri Shram Yogi Maandhan Scheme designed to ensure a fixed monthly pension of Rs.3,000 per month for informal sector workers above the age of 60.
- The contribution would be Rs.100 per month for those joining the scheme at the age of 29, while it would be just Rs.55 a month for those joining at the age of 18.
- The government will match the monthly contributions with an equal contribution of its own.
- Coming just a day after the government revised significantly upwards the GDP growth estimates for 2016-17 and 2017-18, the Finance Minister's Budget speech spent a considerable amount of time on the state of the economy and how it was a bright spot in the world.

The Hindu

