# EXPECTATIONS FROM BUDGET 2020

Huge amount of expectations from the Budget have been building up and this is usual in India. More so, when the growth rate has been falling in the recent past to around 4.5%, which is not flattering for an economy that has clocked 7% in the earlier decade and even faster growth in the decade before.

The current Government has taken a number of bold decisions earlier like de-monetization, introduction of GST and a sharp reduction in Corporate Tax rates.

Therefore, on the Direct Taxation side, there is the usual expectation that Personal Taxation rates will be reduced to some extent across the board along with the improvement in the slabs.This will increase the spending power in the hands of the individual. The Government should also consider increasing the tax benefit under section 80C from Rs.1.5 lac to Rs.2 lac to increase the savings potential for the common man. Also, the long term continuance of education cess and surcharge is now being questioned. It may be desirable to merge the same into tax rates so that the overall tax structure becomes simpler and cleaner.

Further, a number of other recommendations have already been submitted to the Government which include the suggestion for continuance of the unadjusted MAT credit as on 31st March, 2019, although the overall corporate tax structure has already been overhauled. Other major recommendations include allowability of CSR expenses and provision for tax benefit in respect of amalgamation/demerger for all businesses. To give a boost to the capital markets, an important recommendation include the removal of long term capital gains tax for listed equity shares, which was the practice prevailing a couple of years back.

In respect of Indirect Taxation, there is an urgent need to simplify the existing GST Law and reduce the number of slabs, so that all transactions are captured and there is reduced leakage of transactions due to non-invoicing. This will also make the law easier to implement with the consequential improvement in collections.

There are also other factors that need to be addressed that include the financial sector problems, the slump in auto and real estate sectors and the increased focus on infrastructure as announced recently. It is expected that with the very positive and focused approach of the Government, it will be able to enhance the spending power of both the corporate sector and the final consumer. This coupled with the measures already taken for increased investments and improvement in infrastructure, should result in higher growth & economic prosperity and guide the nation to a buoyant future.