

Income Tax Regime - 2013	
Description	Tax Rate (%)
Individuals	
Up to Rs.500,000 (Tax Free Allowance)	Exempted
On the Balance (Taxable Income)	
First Rs.500,000 (of the taxable income)	4.0
Second Rs.500,000	8.0
Third Rs.500,000	12.0
Fourth Rs.500,000	16.0
Fifth Rs.1,000,000	20.0
Balance	24.0
Pay-As-You-Earn (PAYE) Tax is not applicable on employment income upto Rs. 600,000	
The maximum rate of income tax applicable on employment income of professionals	16.0
For employees who works under more than one employer	
If payment does not exceed Rs. 25,000.00 per month	10.0
If payment exceed Rs. 25,000.00 per month	16.0
Employees of public sector works under more than one employer	
If payment does not exceed Rs. 50,000.00 per month	10.0
If payment exceed Rs. 50,000.00 per month	16.0
Terminal Benefits from Employment (Retiring Gratuity etc.)	
Period of service or contribution is not less than 20 years-First Rs. 5M	Exempted
Period of service or contribution is less than 20 years- First Rs. 2M	Exempted
On the next Rs. 1,000,000.00	5.0
On the balance	10.0
Compensation under VRS uniformly applicable- up to Rs. 2M	Exempted
Compensation under Labour Commissioner approved scheme- up to Rs. 2M	Exempted
Non-uniform compensation for loss of employment-Maximum rate	16.0
Corporate Income Tax	
Standard Rate	28.0
Concessionary Rate	
Agriculture	
Exports with 65 percent value addition	
Operation of storage facilities	
Development of software	
Supply of Labour	
Educational services	10.0
Clubs and associations	
Remittance tax	
Any unit trust, mutual fund and unit trust management	
poultry	
Dividend income	
Small companies (taxable income not exceeding Rs. 5 million)	
Manufacture of any article or provision of any service with the turnover not exceeding Rs. 500 million per annum	
Non-traditional exports*	
Animal produce	
Livestock	
Manufacture of animal feed	12.0
Tourism	
Construction	
Healthcare services	
Manufacture of handloom products	
Venture capital companies	
Petroleum exploration	
Lottery, Betting or Business of Liquor, Tobacco and Gaming	40.0
Other	
Partnerships tax on divisible profits	8.0
Employees' Trust Fund and Provident or Pension Funds	10.0
Charitable Institutions	10.0
Cooperative Societies	Exempted
Non-Governmental Organizations (3% of the fund received is deemed to be profit)	28.0

*Exports, including deemed exports, other than black tea in bulk (more than 1 kilogram in a package) not being organic tea in bulk, crape rubber, sheet rubber, scrap rubber, latex or fresh coconuts