

India

India Introduces Tax on Digital Assets in Union Budget 2022

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On 1 February 2022, the Finance Minister presented the Union Budget 2022/23 before the parliament. The key highlights of the tax measures introduced in the Budget, including a tax on transfers of digital assets and an extension of incentives for start-ups, are summarized below.

- A 30% tax will be levied on income from the transfer of digital assets with no deductions other than the acquisition cost. A 1% tax will be withheld on transfers above a certain threshold.
- To incentivize investment in eligible start-ups, the eligibility for claiming a tax holiday for start-ups will be extended by 1 more year – until 31 March 2023.
- There will be no change in the corporate tax rate and slab rates for individuals.
- The minimum alternative tax will be reduced to 15% for cooperatives.
- The surcharge on long-term capital gains will be capped at 15%.
- The import duty on cut and polished diamonds and gemstones will be reduced to 5%.

Taxpayers can amend filed income tax returns within 2 years from the end of the relevant assessment year.

Further details will be reported in due course.

See also

[India - Corporate Taxation - Country Surveys sections 1., 1.6., 1.8., 4., 6.](#)

[India - Country Analyses - Corporate Taxation sections 1., 1.4., 1.9., 1.10., 1.11., 7.](#)