TAXABILITY ON VIRTUAL DIGITAL ASSEST

As per Budget 2022

WHAT IS VIRTUAL DIGITAL ASSEST

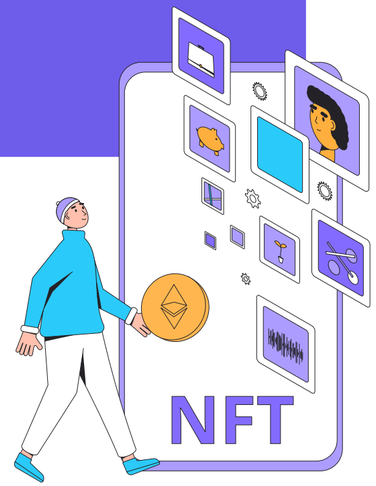
Virtual Digital Asset included in the definition of Capital Asset. Hence any gain arises on VDA shall be classified under the head Capital Gains

I

Crypto Currency

II

Non Fungible Token



CURRENT TAXATION SYSTEM

LTCG

Taxed @ 20%

STCG

Taxed according to respective slab of assessee

NEW TAX STUCTURE

Sec 115BBH

-30% Flat Tax Rate

-Only Cost of acquisition allow as deduction

-No Loss set off allow

WEF 1.APRIL.2023

SEC 194S NEW TDS PROVISION

FinTaxPro
Finance Taxation Accounts

RATE

1% of value of virtual assest

PAYMENT IN KIND

Person acquiring the VDA is liable to pay TDS

LIMIT

Specified Person** 50000 pa
Other 10000 pa

WEF 1.JULY 2022

**1.Individual/HUF having no income from PGBP,
2.Turnover during the year preceding to year in which VDA transfer doesn't exceed 1 Crore (50 Lakh Profession)

KEY POINTS TO SEC 194S

- Sec 194S is overriding section
- Sec 203A and 206AB shall not apply on specified person as defined under Sec 194S

THANK YOU