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## Union Budget 2022-23: 4 steps govt can take to ease burden on taxpayers

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File photos of Prime Minister Narendra Modi and Union Finance Minister Nirmala Sitharaman (Photo Credits: PTI)

The Covid-19 pandemic has not only hit jobs but also left a large number of households grappling with rising living costs. With the possibility of further rise in inflation due to the third wave of Covid-19 situation, taxpayers in the country are hoping that the Union Budget 2022 will provide some relief. While people are eagerly waiting for [Finance Minister Nirmala Sitharaman's announcements in her Budget speech](#) on February 1, here are some recommendations shared by income tax experts.

**NEW TAX REGIME ADJUSTMENTS** [The previous budget](#) did not provide any major relief to the salaried class and experts said the government must consider revising the personal income tax slab in the Union Budget 2022-23. Many experts believe that the two tax regimes still confuse the common man and it would be ideal to announce measures to so more taxpayers shift to the new income tax regime.

Archit Gupta, Founder and CEO, Clear said the government could consider increasing the highest tax slab to Rs 20 lakh from Rs 15 lakh or allow certain deductions to make the new regime more enticing. Earlier reports suggested that the government is expected to announce measures to make the new income tax regime more attractive for individual taxpayers.

**‘WORK FROM HOME’ DEDUCTION** Archit Gupta added that the government could introduce tax-free work from home allowances for salaried employees. Allowing deductions for such expenses will raise the take-home salary, ultimately creating demand for goods and services in the country.

**HIGHER STANDARD DEDUCTION** Millions of taxpayers in the country have demanded a hike in the standard deduction limit from the existing Rs 50,000. The limit has not been changed for a long time and there are chances that this will be tweaked to benefit taxpayers in the upcoming budget.

Archit Gupta said, "Due to the high direct tax collection this fiscal year, there may be a scope to increase tax deduction limits. For instance, the standard deduction available to those with salary income may be raised, currently at Rs 50,000. This may be adjusted for inflation every year."

**INCREASE SECTION 80C, 80D LIMITS** Section 80C and Section 80D limits are also expected to be increased this year as they have been unchanged for a long time. Gupta said: "A higher deduction under Section 80C may be permitted for the Equity-Linked Savings Scheme (ELSS), or a separate limit can be defined to encourage more mutual fund investments in India. Further, a special Covid expense related deduction may be allowed under Section 80D or 80DDB to provide tax relief for Covid-19 patients and their families."