Rebate u/s 87A for AY 2017-18 (FY 2016-17)

Union Budget 2016-17 was presented by the Finance Minister on 29-02-2016.

Section 87A of the Income Tax Act, 1961 was inserted by the Finance Act, 2013 w.e.f. 01-04-2014. The section provides for a income tax rebate up to Rs. 2000/- for assessees having Taxable Income not exceeding Rs. 5 lakhs.

In his direct tax proposals, the Finance Minister has proposed to increase the limit of rebate under section 87A for FY 2016-17 AY 2017-18 by Rs. 3000/- (from Rs. 2000/- to Rs. 5000/-)

Chart of 87A Rebate showing Tax incidence is as under:

Total Income	Income Tax	Rebate 87A	Net Tax	Edu Cess	SHE Cess	Tax+Cess Liability
250000	-	-	-	-	-	-
260000	1000	1000	-	-	-	-
270000	2000	2000	-	-	-	-
280000	3000	3000	-	-	-	-
290000	4000	4000	-	-	-	-
300000	5000	5000	-	-	-	-
310000	6000	5000	1000	20	10	1030
320000	7000	5000	2000	40	20	2060
330000	8000	5000	3000	60	30	3090
340000	9000	5000	4000	80	40	4120
350000	10000	5000	5000	100	50	5150
360000	11000	5000	6000	120	60	6180
370000	12000	5000	7000	140	70	7210
380000	13000	5000	8000	160	80	8240
390000	14000	5000	9000	180	90	9270
400000	15000	5000	10000	200	100	10300
410000	16000	5000	11000	220	110	11330
420000	17000	5000	12000	240	120	12360
430000	18000	5000	13000	260	130	13390
440000	19000	5000	14000	280	140	14420
450000	20000	5000	15000	300	150	15450
460000	21000	5000	16000	320	160	16480
470000	22000	5000	17000	340	170	17510
480000	23000	5000	18000	360	180	18540
490000	24000	5000	19000	380	190	19570
500000	25000	5000	20000	400	200	20600