

FINMIN OFFERS OPT-IN IT SCHEME TO BOOST DEMAND

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

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The changes are a reduction in the number of days that an Indian citizen can be granted non-resident status for tax purposes from 182 to 120; citizens who don't pay taxes anywhere will be deemed to be a resident of India, and the definition of 'not ordinary resident' has been tightened.

'240 days'

"Now in order to become a non-resident, one has to stay out of the country 240 days," said Mr. Pandey.

"In many cases, we have found that some people are resident of no country in the world but stay a certain number of days in different parts of the world," he said.

"If any Indian citizen is not a resident of any country, then he will be deemed to be resident in India and then his worldwide income will be taxed," he added.

It's still not clear if this will apply to many Indian expats working in the UAE and other countries.

"We will have to wait and see if this will apply to those working in the UAE as technically, they tax people but the tax rate is zero," said Amarpal Chadha, tax partner & India mobility leader, EY.

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