

Union Budget 2024 Technology and Media sector



- An equalisation levy of 2 percent of non-residents' consideration on the digital sale of goods or services shall be withdrawn from 1 August 2024.
- A proposal is made to abolish angel tax for all classes of investors to bolster the Indian start-up eco-system; boost the entrepreneurial spirit and support innovation from 1 April 2024.
- Buy-back tax incidence is moved from the company to the shareholder and will be considered as dividends in shareholders' hands. Specific guidelines have been prescribed with respect to the computation in shareholders' hands.
- The TDS rate on payments made by e-commerce operators to the sellers listed on their platform is reduced to 0.1 percent vis-à-vis 1 percent from October 2024.
- Specified foreign companies will now pay 35 percent income tax, down from 40 percent tax paid earlier.
- The import of scientific and technical instruments, apparatus, equipment (including computers), accessories, etc., by publicly funded research institutions for specified purposes will continue to be taxed at 5 percent for another five years (until 31 March 2029).
- The import duty exemption for motion pictures, music and gaming software printed or recorded on media for gaming consoles will continue for another two years (until 31 March 2026).
- Section 122(1B) of the CGST Act is being amended from 1 October 2023 to restrict the applicability of penal provisions to only those e-commerce operators who are required to collect tax at source under section 52.
- A venture capital fund of INR 10,000 million will be established to expand the space economy fivefold in the next 10 years.
- A mechanism for spurring research and development by the private sector, with a corpus of INR 1 trillion for financing at low or nil interest rates, will be set up. Anusandhan National Research Fund will be operationalised for basic research and prototype development.