



Tax Reckoner

As per the budget released on **July 23, 2024**

Equity Mutual Funds:

As per the budget released on July 23, 2024:

1. Short-term Capital Gains (STCG): If you sell your equity mutual fund units within one year of purchase, the gains are considered STCG and are taxed at 20%.
2. Long-term Capital Gains (LTCG): If you sell your equity mutual fund units after one year of purchase, the gains are considered LTCG and are taxed at 12.5%. However, LTCG up to ₹1.25 lakh is exempt from tax.

Additional Points to Note:

- Securities Transaction Tax (STT): STT of 0.001% is levied on the sale of equity mutual funds and equity-oriented hybrid mutual funds.
- Dividend Distribution Tax (DDT): DDT has been abolished. Instead, dividends from mutual funds are now taxed in the hands of investors as per their income tax slab.

Scheme Category	Date of Investment	STCG (Earlier)	STCG (Now)	Holding Period for LTCG (Earlier)	Holding Period for LTCG (Now)	LTCG (Earlier)	LTCG (Now)
Equity MF / Equity ETF / Equity Index Funds / Arbitrage / Equity Saving	Any	15.00%	20.00%	12 months	12 months	10.00%	12.50%

Debt Mutual Funds:

There is no defined Short-term Capital Gains (STCG) or Long-term Capital Gains (LTCG) tax rate. Irrespective of duration, if you sell your debt mutual fund units, gains are taxed as per your income tax slab.

Additional Points to Note:

- Securities Transaction Tax (STT): STT is not levied on the sale of debt mutual funds and debt-oriented hybrid mutual funds.

- Dividend Distribution Tax (DDT): DDT has been abolished. Instead, dividends from mutual funds are now taxed in the hands of investors as per their income tax slab.

Scheme Category	Date of Investment	STCG (Earlier)	STCG (Now)	Holding Period for LTCG (Earlier)	Holding Period for LTCG (Now)	LTCG (Earlier)	LTCG (Now)
Debt MF/Debt Index/Debt ETF#	Before April 1, 2023	As per slab rates	As per slab rates	36 months	24 months	20% (with indexation)	12.5%
	After April 1, 2023	As per slab rates	As per slab rates	NA	NA	NA	NA

Hybrid Mutual Funds:

As per the budget released on July 23, 2024:

Taxation for hybrid mutual funds depends on their equity allocation:

1. Equity-oriented Hybrid Funds (Equity allocation > 65%): These are taxed like equity mutual funds.
 - a. Short-term Capital Gains (STCG - less than 1 year): Taxed at 20%.
 - b. Long-term Capital Gains (LTCG - 1 year or more): Taxed at 12.5% (with an exemption of ₹1.25 lakh on LTCG).
2. Debt-oriented Hybrid Funds (Equity allocation < 65%): These are taxed like debt mutual funds.
 - a. There is no defined Short-term Capital Gains (STCG) or Long-term Capital Gains (LTCG) tax rate. Irrespective of duration, if you sell your debt mutual fund units, gains are taxed as per your income tax slab.

Important Note:

- The 65% threshold is crucial in determining whether the fund is equity-oriented or debt-oriented for taxation purposes.
- Hybrid funds with equity allocation between 35% and 65% were previously eligible for a lower LTCG tax rate with indexation, but with effect from 1st April 2023, indexation benefit has been removed & it is taxed as per your income tax slab.

Additional Points to Note:

- Securities Transaction Tax (STT): STT of 0.001% is applicable on the sale of equity mutual funds and equity-oriented hybrid mutual funds.
- Dividend Distribution Tax (DDT): DDT has been abolished. Instead, dividends from mutual funds are now taxed in the hands of investors as per their income tax slab.

Scheme Category	Date of Investment	STCG (Earlier)	STCG (Now)	Holding Period for LTCG (Earlier)	Holding Period for LTCG (Now)	LTCG (Earlier)	LTCG (Now)
Hybrid Mutual Funds ≥65% Debt	After April 1, 2023	As per slab rates	As per slab rates	36 months	NA	20% (with indexation)	As per slab rates
	Irrespective of duration, if you sell your debt mutual fund units, gains are taxed as per your income tax slab be it Short-term Capital Gains (STCG) or Long-term Capital Gains (LTCG).						
Hybrid Mutual Funds ≥65% Equity	Any	15.00%	20.00%	12 months	12 months	10.00%	12.50%

Mutual Funds Based on Commodities (Gold & Silver ETF):

As per the budget released on July 23, 2024:

1. Short-term Capital Gains (STCG): If you sell your Gold ETF/Silver ETF mutual fund units within one year of investment gains will be taxed as per income tax slab.
2. Long-term Capital Gains (LTCG): If you sell your Gold ETF/Silver ETF mutual fund units after one year of purchase, the gains are considered LTCG and are taxed at 12.5%.

Scheme Category	Date of Investment	STCG (Earlier)	STCG (Now)	Holding Period for LTCG (Earlier)	Holding Period for LTCG (Now)	LTCG (Earlier)	LTCG (Now)
Gold ETF/Silver ETF (wef 1st Apr'23)	Before April 1, 2023	As per slab rates	NA*	36 months	12 months	20% (with indexation)	12.50%
	After April 1, 2023	As per slab rates	As per slab rates	36 months	12 months	NA	12.50%

Others Mutual Funds:

As per the budget released on July 23, 2024:

1. Short-term Capital Gains (STCG): If you sell your mutual fund units under this category within two years of purchase, the gains are considered STCG and are taxed as per your income tax slab.
2. Long-term Capital Gains (LTCG): If you sell your mutual fund units under this category after two years of purchase, the gains are considered LTCG and are taxed at 12.5%.

Scheme Category	Date of Investment	STCG (Earlier)	STCG (Now)	Holding Period for LTCG (Earlier)	Holding Period for LTCG (Now)	LTCG (Earlier)	LTCG (Now)
FoF (Gold/Silver/Passive Flexicap/Asset Allocator) & International Fund (wef 1st Apr'23)	Before April 1, 2023	As per slab rates	As per slab rates	36 months	24 months	20% (with indexation)	12.50%
	After April 1, 2023	As per slab rates	As per slab rates	36 months	24 months	NA	12.50%

