

Tax implications for Mutual Fund Investors

As amended by the Finance Act, 2010

	Capital gains			Capital gains			Dividend income	Dividend distribution tax		
	Equity Schemes		TDS ¹	Other Schemes		TDS		Equity Schemes	Liquid Schemes	Other Schemes
	Short term	Long term			Short term		Long term		All schemes	
Resident Individual/HUF ²	15.45% (15% + 3% education cess)	Nil	Nil	As per slab + 30% education cess	10% (20% with indexation) + 3% education cess	Nil	Tax free	Nil	27.681% (25% + 7.5% surcharge + 3% education cess)	13.841% (12.5% + 7.5% surcharge + 3% education cess)
Partnership Firms	15.45% (15% + 3% education cess)	Nil	Nil	30% + 3% education cess	10% (20% with indexation) + 3% education cess	Nil	Tax free	Nil	27.681% (25% + 7.5% surcharge + 3% education cess)	22.145% (20% + 7.5% surcharge + 3% education cess)
AOP/BOI ³	15.45% (15% + 3% education cess)	Nil	Nil	As per slab + 3% education cess	10% (20% with indexation) + 3% education cess	Nil	Tax free	Nil	27.681% (25% + 7.5% surcharge + 3% education cess)	22.145% (20% + 7.5% surcharge + 3% education cess)
Domestic Companies Corporate	16.609% (15% + 7.5% surcharge + 3% education cess)	Nil	Nil	30% + 3% education cess	10% (20% with indexation) + 3% education cess	Nil	Tax free	Nil	27.681% (25% + 7.5% surcharge + 3% education cess)	22.145% (20% + 7.5% surcharge + 3% education cess)
NRIs ⁴	15.45% (15% + 3% education cess)	Nil	STCG - 15.45% (15%+3% education cess); LTCG-Nil	As per slab + 3% education cess	10% (20% with indexation) + 3% education cess	STCG - 30.800% (30% + 3% education cess) LTCG - 20.600% (20% + 3% education cess) (After providing for indexation)	Tax free	Nil	27.681% (25% + 7.5% surcharge + 3% education cess)	22.145% (20% + 7.5% surcharge + 3% education cess)

¹Tax Deducted at Source. ²Hindu Undivided Family. ³Association of Persons / Body of Individuals. ⁴Non Resident Indian.

The surcharge of 7.5% in case of "Domestic Companies Corporates" would be applicable if the total income exceeds Rs. 1 crore.