

VAT, TAX, TDS

Course Duration: one month

1. VAT (Value Added Tax)

- **Standard VAT Rate:** 13%
 - **Applicability:** Applies to most goods and services.
 - **Threshold for Registration:**
 - Annual turnover of **Rs. 2 million** for services.
 - Annual turnover of **Rs. 5 million** for goods.
 - **Filing Frequency:** Monthly
 - **Exemptions:** Basic goods like unprocessed agricultural products, educational and medical services, etc.
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2. Income Tax

a) Individual Income Tax Rates (Residents)

Income Range (NPR)	Tax Rate
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Up to 500,000 (single)	1% (presumptive tax) or 1% (optional)
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Next 100,000	10%
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Next 200,000	20%
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Above that	30%
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Note: Additional 10% tax on income from investment or consultancy work. Couples get an additional tax exemption.

b) Corporate Tax Rates

Entity Type	Tax Rate
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General Companies	25%
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Entity Type	Tax Rate
Banks/Financial Institutions	30%
Cigarette, alcohol industry	40%
Export income	20%
IT-based industries	0–10% (concessions available)

3. TDS (Tax Deducted at Source)

TDS is deducted at the source by the payer when making certain payments.

Nature of Payment	TDS Rate
Rent (house/building)	10%
Interest (banks and financials)	5%
Consultancy / Service Fees	15%
Contractor payments	1.5%
Dividend	5%
Payment to non-residents	25% or as per DTA

TDS must be deposited within 25 days from the end of the month in which payment is made.

4. Other Taxes

- **Excise Duty:** Levied on alcohol, tobacco, vehicles, telecom, etc.
- **Customs Duty:** Varies based on goods imported.
- **Vehicle Tax:** Based on engine capacity and vehicle type.
- **Property Tax:** Paid at the local level, varies by municipality.