

**Union Budget of India 2015 announced on 28th February 2015:
Highlights on the Health Related Announcements in the Budget**

By Bejon Kumar Misra

- The health budget saw a dip of 5.7 per cent with an outlay of Rs 33,152 crore. In the last fiscal it stood at Rs 35,163 crore.
- AYUSH was allotted Rs 1,214 crore.
- ***The department of health research under the health ministry got a hike of 9.2 per cent with Rs 1,018.17 crore allotted to it compared to last year's Rs.932 crore***, whereas the department of health and family welfare got a hike of a mere two per cent as Rs 29,653 crore earmarked this year as compared to Rs 29,042 crore last fiscal.
- The department of AIDS control also got a hike of just 7.4 per cent. It was allotted Rs 1,397 crore this fiscal compared to Rs 1,300 crore last year.
- The government also proposed to set up six more AIIMS like institutes in the country (Jammu and Kashmir, Punjab, Tamil Nadu, Himachal Pradesh and Assam) and one more in Bihar. With six more AIIMS-like institutes, the number of such super specialty institutes has gone up to 14 in the country.
- Three new National Institute of Pharmaceuticals Education and Research in Maharashtra, Rajasthan and Chattisgarh
- One Institute of Science and Education Research to be set up in Nagaland and Orissa each.
- To upgrade the existing National Institute of Speech and Hearing to a University of Disability Studies and Rehabilitation
- A National Skills Mission through the Skill Development and Entrepreneurship Ministry. The Mission will consolidate skill initiatives spread across several Ministries and allow us to standardize procedures and outcomes across our 31 Sector Skill Councils.
- Investment in "Sukanya Samridhi Scheme" will be eligible for deduction u/s 80C and any payment from the scheme shall not be liable to tax.
- Increase in the limit of deduction u/s 80D of the Income-tax Act from 15,000 to 25,000 on health insurance premium (in case of senior citizen from 20,000 to 30,000). It is also proposed to allow deduction of expenditure of similar amount in case of a very senior citizen not eligible to take health insurance.
- To increase the limit of deduction in case of very senior citizens u/s 80DDB of the Income-tax Act on expenditure on account of specified diseases from 60,000 to 80,000.
- To increase the limit of deduction u/s 80DD of the Income-tax Act in respect of maintenance, including medical treatment of a dependant who is a person with disability, from 50,000 to 75,000. To increase

the limit of deduction from 1 lakh to 1.25 lakh in case of severe disability.

- To increase the limit of deduction u/s 80U of the Income-tax Act in case of a person with disability, from 50,000 to 75,000. To increase the limit of deduction from 1 lakh to 1.25 lakh in case of severe disability.
- To increase the limit of deduction u/s 80CCC of the Income-tax Act on account of contribution to a pension fund of LIC or IRDA approved insurer from 1 lakh to 1.5 lakh.
- To increase the limit of deduction u/s 80CCD of the Income-tax Act on account of contribution by the employee to National Pension Scheme (NPS) from 1 lakh to 1.50 lakh. It is also proposed to provide a deduction of upto 50,000 over and above the limit of 1.50 lakh in respect of contributions made to NPS.
- 'Swachh Bharat': 50 lakh toilets already constructed in 2014-15. New target of building six crore toilets. 100% deduction for contributions, other than by way of CSR contributions, to the Swachh Bharat Kosh. A similar tax treatment is also proposed for the Clean Ganga Fund.
- Clean Energy Cess from 100 to 200 per metric tonne of coal, etc. to finance clean environment initiatives.
- Excise duty on sacks and bags of polymers of ethylene other than for industrial use is being increased from 12% to 15%.
- Swachh Bharat Cess at a rate of 2% or less on all or certain services if need arises. This Cess will be effective from a date to be notified. Resources generated from this cess will be utilised for financing and promoting initiatives towards Swachh Bharat.
- Custom duty exemption: Certain specified inputs for use in the manufacture of flexible medical video endoscopes from 5% to 2.5%.
- Excise duty on cigarettes increased by 25% for cigarettes of length not exceeding 65 mm and by 15% for cigarettes of other lengths. Similar increases are proposed on cigars, cheroots and cigarillos
- Attracting Investment to create Jobs: Increased FDI caps in defence, Insurance and Railway Infrastructure; rationalised the conditions for FDI in construction and medical devices sectors;
- A large proportion of India's population is without insurance of any kind - health, accidental or life. It is also going to be pension-less. To create a universal social security system for all Indians, specially the poor and the under-privileged.
- Pradhan Mantri Suraksha Bima Yojna will cover accidental death risk of 2 lakh for a premium of just 12 per year.
- Atal Pension Yojana: will provide a defined pension, depending on the contribution, and its period. To encourage people to join this scheme, the Government will contribute 50% of the beneficiaries' premium limited to 1,000 each year, for five years, in the new accounts opened before 31st December, 2015.

- Pradhan Mantri Jeevan Jyoti Bima Yojana: will cover both natural and accidental death risk of ₹2 lakhs. The premium will be ₹330 per year, or less than one rupee per day, for the age group 18-50.
- There are unclaimed deposits of about ₹3,000 crore in the PPF, and approximately ₹6,000 crore in the EPF corpus. To create a Senior Citizen Welfare Fund. Corpus to be used to subsidize the premiums of vulnerable groups such as old age pensioners, BPL card-holders, small and marginal farmers and others.
- Senior citizens in the country which is now approximately 10.5 crore, out of which over one crore are above the age of 80 years. 70% live in rural areas and a large number are in the BPL category. A sizeable percentage of them also suffer from age related disabilities. Ours is a society that venerates its elders. New scheme for providing Physical Aids and Assisted Living Devices for senior citizens, living below the poverty line is being launched.
- Indirect health budgets [68,968 crore to the education sector including mid-day meals, 79,526 crore for rural development activities including MGNREGA, 22,407 crore for housing and urban development, 10,351 crore for women and child development, 4,173 crore for Water Resources and Namami Gange.]
- Service tax to be levied on service by way of carrying out any processes as job work for production or manufacture of alcoholic liquor for human consumption.
- Donation made to National Fund for Control of Drug Abuse (NFCDA) shall be eligible for 100% deduction under section 80G of the Income-tax Act.
- All ambulance services provided to patients are being exempted from service tax
- Life insurance service provided by way of Varishtha Pension Bima Yojna is being exempted from service tax
- The service tax rate is being increased from 12% plus Education Cesses to 14%. The 'Education Cess' and 'Secondary and Higher Education Cess' shall be subsumed in the new service tax rate. The revised rate shall come into effect from a date to be notified.
- Service tax to be levied on service by way of admission to entertainment event of concerts, non-recognized sporting events, pageants, music concerts and award functions, if the amount charged for admission is more than Rs 500.
- An enabling provision is being made to exclude all services provided by the Government or local authority to a business entity from the Negative List. Once this amendment is given effect to, all service provided by the Government to business entities, unless specifically exempt, shall become taxable.
- Service tax exemptions withdrawn: Departmentally run public telephone, guaranteed public telephone operating only local calls and

service by way of making telephone calls from free telephone at airport and hospital where no bill is issued.

- Custom Duty: Exempt artificial heart (left ventricular assist device) from Basic Customs Duty of 5% and CVD.
- With respect to ESI, the employee should have the option of choosing either ESI or a Health Insurance product, recognized by the Insurance Regulatory Development Authority (IRDA).
- The Finance Bill includes a proposal to amend the Income-tax Act to prohibit acceptance or payment of an advance of 20,000 or more in cash for purchase of immovable property.
- Quoting of PAN is being made mandatory for any purchase or sale exceeding the value of 1 lakh.
- Young entrepreneurs running business ventures or wanting to start new ones, they need latest technology. To facilitate technology inflow to small businesses at low costs, reduce the rate of income tax on royalty and fees for technical services from 25% to 10%.
- To abolish the wealth tax and replace it with an additional surcharge of 2% on the super-rich with a taxable income of over `1 crore.
- To track the wealth held by individuals and entities, the information regarding the assets which are currently required to be furnished in wealth-tax return will be captured in the income tax returns. This will ensure that the abolition of wealth tax does not lead to escape of any income from the tax net.
- Income Tax Savings [Deduction u/s 80C 1,50,000/Deduction u/s 80CCD 50,000/Deduction on account of interest/On house property loan (Self occupied property) 2,00,000/Deduction u/s 80D on health insurance premium 25,000/Exemption of transport allowance 19,200=Total 4,44,200]