

Budget Panorama 2017



Analysis of Key Proposals in Finance Bill 2017

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CONSULTING

Foreword

This year, Indian economy saw a lot of transitional activity. While we still want to believe that we are a bright spot in the global economy, the economic parameters are increasingly showing mixed signs. Increasing unemployment emerged as the biggest problem; the positive aspects were the controlled inflation with increased efforts by Reserve Bank of India and Government of India. By and large, the impact on Indian economy in FY 2016 has been due to domestic factors. This goes on to show the robustness of the macroeconomic capabilities of the Indian economy and its capabilities to stay largely immune from global happenings. The real test for the economy, specially the Indian IT industry will be to cope with protective industrial and immigration policy that the newly elected US president is trying to adopt.

There were two domestic developments in FY 2016 that were significant in nature. First, the passage of Constitutional amendment for paving way for Goods & Service Tax and demonetization of certain high level currency notes. The expectation of the business community and common man from GST is growing and responding positively to that, Government has also shown tremendous energy in meeting with the deadline for roll out of GST. With demonetization, the impact of the economy has been significant. This seems only to be a temporary impact and should be neutralised by second quarter of FY 2017-18.

A very important learning that should be carved out of the demonetization exercise is that no doubt that the existence of cash in the economy was very large and a large part of this could also be unaccounted in nature, contrary to the assumptions that the Government must have had while announcing demonetization, that a large part of such unaccounted cash will not flow back to the banking system, it has flown back. This goes on to show that people do not seem to understand and appreciate staying compliant with the tax laws of the country. There appears to be a big trust gap between the people and Government, which are reflecting in low tax base that we have. Despite, the Prime Minister appealing to the nation to come clean, a section of the society still seems to believe against that. The onus is largely on the Government to create a positive outlook and to create a sense of pride in staying compliant with the law of the land.

In this background, the Finance Minister presented the Union Budget 2017 including amendments to tax laws. From a Budgetary allocation and fiscal prudence perspective it is a very commendable effort of the Finance Minister. The steps taken to discourage cash, reforms in taxation of Political parties, giving significant push for cashless payments are extremely positive and should go down significantly to reduce corruption and black money. These well intended proposals are to be continuously backed by sustained efforts to ensure there are no implementation gaps, for these proposals to earn its true dividends.

As far as the tax proposals are concerned, there are no significant changes proposed in the Indirect tax laws as we are in the onset of moving to GST regime. Some of the Direct tax proposals are well intended to reduce litigation, but seem to have been ill drafted, which might not yield the desired results. Some proposals are extremely short sighted and looks like a bureaucratic effort, which could have been completely avoided. All in all, direct tax proposals in the Finance Bill 2017 seem to be letting down the positives of the rest of the Union Budget 2017.

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Key non-tax highlights of the Union Budget 2017

- The budget presentation was on a ten themes, namely; Farmers, Rural Population, Youth, Poor & the Underprivileged, Infrastructure, Financial Sector, Digital Economy, Public Service, Prudent Fiscal Management and Tax Administration.
- Agricultural sector is expected to grow at 4.10% in the current year.
- Budget allocation for MGNREGA has been made at Rs.48,000 crores in 2017-18.
- FM announced that the Government is well within the target of achieving 100% village electrification by 1st May 2018.
- Government proposed to establish a National Testing Agency as an autonomous and self-sustained premier testing organisation to conduct all entrance examination.
- For the welfare of women and children, a total allocation of Rs.1,84,632 crores has been made.
- Two new All India Institute of Medical Sciences to be set up in Jharkhand and Gujarat.
- First time in the history of independent India, Railway Budget was combined with the Union Budget.
- For 2017-18, the total capital and development expenditure of Railways has been pegged at Rs. 1,31,000 crores.
- Foreign Investment Promotion Board (FIPB) to be abolished in 2017-18.
- A Computer Emergency Response Team for Financial Sector (CERT-Fin) will be established.
- Rs.10,000 crores provided for recapitalisation of banks.
- The total expenditure in Budget for 2017-18 has been placed at Rs.21.47 lakh crores. Plan and Non-plan expenditure classification of expenditure abolished.
- For Defence expenditure excluding pensions, a sum of Rs.2,74,114 crores including Rs.86,488 crores for Defence capital has been provided.
- Fiscal deficit for 2017-18 pegged at 3.2% of GDP and FM said that he remains committed to 3% in the following year.
- Revenue deficit for next year pegged at 1.9%.
- The net tax revenue of 2013-14 was Rs.11.38 lakh crores. This grew by 9.4% in 2014-15 and 17% in 2015-16. As per revised estimates, the growth for second time in a row for FY 2016-17 would be 17%.

Direct Tax Related Proposals

1. Individual Taxation

1.1. Tax Rates

- The rate of tax has been decreased from 10% to 5% for the individuals having income in the tax slab Rs.2.5 Lakhs to Rs.5 Lakhs. However, there is no change in the other slabs and/or rates for individual.

The new slabs are as under:

0 - Rs.2.50 lakhs	Nil
Rs.2.50 lakhs - Rs.5 lakhs	5%
Rs.5 lakhs - Rs.10 lakhs	20%
10 lakhs and above	30%

This is applicable from FY 2017-18 and onwards.

- A surcharge at the rate of 10% of the tax has been introduced for individuals having income more than Rs.50 Lakhs but less than Rs.1 Crore. There is already a surcharge of 15% on income in excess of Rs.1 Crore, which continues.
- Rebate u/s 87A has been decreased from Rs.5,000 to Rs.2,500 for taxpayers having taxable income upto Rs.3.5 lakhs.

1.2. Retiral benefits and taxation

- In case of **individual taxpayers (non-salaried)**, the maximum cap that is eligible for deduction in respect of contribution made to pension scheme of the Central Government will now be increased from 10 per cent to **20 per cent of the gross total income**. However, the maximum amount which is allowed as a deduction (including other tax saving investments) still remains unchanged.
- **Partial withdrawal from NPS not exceeding 25%** of contribution made by employees, as permitted under the rules governing National Pension System **will not be taxable**.

- No deduction under section 80CCG in respect of investment under an Equity Savings Scheme shall be allowed from AY 2018-19. However, an assessee who has claimed deduction under this section for AY 2017-18 and earlier assessment years shall be allowed deduction under this section till the AY 2019-20 if he is otherwise eligible to claim the deduction as per the provisions of this section.

1.3. There are no changes proposed in taxation of Income from salary.

2. Income from House Property

- The annual value of the property being building or land appurtenant thereto, held as stock-in-trade and not let-out during the whole or any part of the year, shall be taken to be **nil for a period of one year from the end of the financial year** in which the certificate of completion of construction of the property is obtained from the competent authority. Earlier there was no such relaxation, which was creating difficulty for real estate developers who would have unsold stock of completed flats.

The above property if not let out even after one year, then the annual value of the same shall be computed as if it were a property deemed to be let out.

- Currently loss incurred on let out house property (by way of excess interest paid) is allowed to be set off any income of the year of incurring such loss without any upper limit. It has been proposed to **restrict such loss only to Rs.2 lakhs** and any loss incurred beyond that is required to be carried forward and set off in future years.

3. Income from business:

- Increase in the deduction allowed to scheduled bank, non-scheduled bank and co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank in respect of provision for bad and doubtful debts from **7.5% to 8.5%** of the total income.
- For allowability of any expenses as business expenses, the Act requires that such expenditure shouldn't be paid in cash beyond a certain limit. This limit was Rs.20,000 to a single person per day. This limit has been reduced to Rs.10,000.

- In order to discourage payment towards capital expenditure in cash, an amendment has been proposed to Section 43(1) deining cost of acquisition, to say that **any expenditure incurred in the form of cash exceeding an amount of Rs. 10,000 shall not be considered as the cost of the asset**. This directly influences the amount of depreciation expenditure that can be claimed on the asset u/s 32.
- Section 44AA: Increase in the threshold for the maintenance books of account in case of individuals and Hindu Undivided Family carrying on business:
 - Total income from Rs.1,20,000 to Rs. 1,50,000
 - Total sales from Rs.10 Lakhs to Rs. 25 Lakhs
- The Finance Act, 2016 had increased the threshold limit under Section 44AD for presumptive taxation scheme from Rs. 1 Crore to Rs. 2 Crore. However, corresponding amendment was not made in Section 44AB. In other words, the threshold **limit for the tax audit under Section 44AB was not increased to Rs. 2 Crores for the taxpayers opting for the presumptive scheme**. Therefore, in order to bring the provisions in parity Section 44AB is proposed to be amended.
- In order to promote digital transactions and to encourage small unorganized business to accept digital payments, it is proposed that the presumptive income under Section 44AD shall be deemed to be **6% (instead of 8%) in respect of amount received through banking channel** during the previous year or before the due date for filing of return of income. This is applicable from FY 2016-17 onwards.
- **Corporate Taxation** rate for domestic companies having a turnover not exceeding Rs.50 crores in FY 2015-16 have been reduced to **25% plus applicable cess and surcharge**. This is applicable for FY 2017-18 and onwards.
- In order to remove the ambiguity on deduction u/s 10AA available for SEZ units, an amendment has been proposed. This clarifies that deduction u/s **10AA is to be allowed not just from the total income of the undertaking in SEZ but total income of the assessee**. The deduction under section 10AA shall not exceed the said total income.

- It is proposed to amend section 79 of the Act to provide that where a change in shareholding has taken place in a previous year in the case of an **eligible start-up**, loss shall be carried forward and set off against the income of the previous year, if **all the shareholders** of such company which held shares carrying voting power on the last day of the year or years in which the loss was incurred, being the loss incurred during the period of seven years beginning from the year in which such company is incorporated, continue to hold those shares on the last day of such previous year. The requirement with respect to percentage of total holding has been relaxed in the case of the eligible start-ups.
- Option for the eligible start-ups as referred to in Sec. 80-IAC to claim deduction of an amount equal to 100% of the profits and gains derived from eligible business has been increased from **3 out of 5 years to 3 assessment years out of 7 years** beginning from the year in which such eligible start-up is incorporated.
- A new section 115BBG is proposed to be inserted to provide that income from transfer of carbon credit shall be taxable at a rate of **10% on the gross amount of such income**. No expenditure or allowance in respect of such income shall be allowed under the Act.
- MAT and AMT credit shall be allowed to be **carried forward for a period of 15 Assessment years** immediately succeeding the AYs in which such tax credit becomes allowable. It is further proposed to amend sec 115JAA and 115JD so as to provide that the amount of tax credit in respect of MAT/ AMT shall not be allowed to be carried forward to subsequent year to the extent such credit relates to the difference between the amount of foreign tax credit (FTC) allowed against MAT/ AMT and FTC allowable against the tax computed under regular provisions of Act.

4. Capital Gain Taxation

4.1. Relating to Land, building or both:

- In view of promotion of the real-estate sector and to make it more attractive for investment, it is proposed to amend section 2 (42A) of the Act so as to reduce the period of holding from the existing **36 months to 24 months in case of immovable property**, being land or building or both, to qualify as long term capital asset.
- In order to provide tax neutrality to the conversion of preference share of a company into equity share of the same company, it is proposed to amend section 47 to provide that the **conversion of preference share of a company into its equity share shall not be regarded as transfer**. Corresponding amendments have been made in Section 2(42A).
- With a view to minimise the genuine hardship which the owner of land may face in paying capital gains tax in the year of transfer, it is proposed to insert a new sub-section (5A) in section 45 so as to provide that in case of an assessee being individual or Hindu undivided family, who enters into a specified agreement for development of a project (popularly referred to as **Joint Development Agreement or JDA**), the capital gains shall be chargeable to income-tax as income of the previous year in which the **certificate of completion for the whole or part of the project is issued by the competent authority**.
- The stamp duty value of the share of landowner, being land or building or both, in the project on the date of issuing of said certificate of completion as increased by any monetary consideration received, if any, shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of the capital asset.
- A new section 194-IC is also proposed to be inserted in the Act so as to provide that in case any monetary consideration is payable under **JDA**, tax at the rate of **10%** shall be deductible from such **payment on consideration other than in kind**.
- **The base year for the computation of capital gains has been proposed to be shifted from 1981 to 2001**. Accordingly, the cost of acquisition of an asset acquired before 01.04.2001 shall be allowed to be taken as fair market value as on 1st April, 2001 and the cost of improvement shall include only those capital expenses which are incurred after 01.04.2001. This shall apply in relation to AY 2018-19 and subsequent years. Consequential amendment is also proposed in section 48 so as to align the provisions relating to cost inflation index to the proposed base year.

4.2. Other assets:

- In the case of a demerger, the cost of acquisition of the shares of Indian company, in the hands of the resulting foreign company shall be the same as it was in the hands of demerged foreign company.
- It is proposed to insert a new Sec 50CA to provide that where **consideration for transfer of share of a company (other than quoted share) is less than the Fair Market Value (FMV) of such share determined in accordance with the prescribed manner, the FMV shall be deemed to be the full value of consideration** for the purposes of computing income under the head "Capital gains".

4.3. Deductions/Exemptions:

- It is proposed to amend **section 54EC** so as to provide that investment in any bond redeemable after three years which has been notified by the Central Government in this behalf shall also be eligible for re-investment linked exemption, which **hitherto were only the bonds issued by REC and NHAI**.

5. Income From Other Sources:

- Earlier, income by way of receipt of money or property by individuals and HUF and share in the hands of Firm or company, without consideration or for inadequate consideration in excess of Rs.50,000 would be chargeable to tax in the hands of the recipient. Currently, a new clause (x) in sub-section (2) of section 56 is proposed to be inserted so as to extend such chargeability of tax to **all persons who receive, money, immovable and deined moveable property** without consideration or for inadequate consideration in excess of Rs.50,000. These amendments will take effect from 1st April, 2017.
- Section 58 provides for expenses that are deductible from computation of Income from Other Sources. An amendment has been proposed to ensure that for such expenses **where TDS is deductible, unless the TDS provisions are not complied, such expenditure will not be deductible in computing Income from Other Sources**.
- Earlier, an individual, a HUF or a firm receiving income by way of dividend from domestic companies in excess of Rs.10 lakhs were chargeable to tax at the rate of 10% on such dividends. It is currently proposed that such dividend shall be chargeable at the rate of **10% on gross basis**, to all resident assessee except domestic company and certain funds, trusts and institutions.

6.Exempt entities:

6.1.Trusts and Institutions:

- Insertion of a new Explanation to section 11 of the Act to provide that any amount paid as contributions to another trust or institution **with specific direction that they shall form part of the corpus of such trust or institution, shall not be treated as application of income** for the contributing trust.
 - A proviso in clause (23C) of section 10 has also been proposed to be inserted to provide similar restriction as above on the entities exempt under sub-clauses (iv), (v), (vi) or (via) of said clause in respect of any amount credited or paid out of their income.
- Insertion of new Clause (ab) u/s 12A: A trust or an institution recognised u/s 12A or 12AA, when it modifies its objects leading to non-conformation with the conditions of registration, shall be required to obtain **fresh registration** by making an application within a period of thirty days from the date of such adoption or modifications of the objects in the prescribed form and manner.
- Insertion of new Clause (ba) u/s 12A: The return of income in case of trusts or institutions registered u/s 12AA to be filed in accordance with the provisions of Section 139(4A). Accordingly, the due date shall be 30th September of the respective Assessment Year.

6.2. Political parties

- Maximum **cash donation** that a political party can receive from one person limited to **Rs.2,000**.
- Political party to furnish the return of income in accordance with the provisions of section 139(4B) on or before the due date under section 139 in order to be able to claim the exemption u/s 13A.
- Issue of electoral bonds for political party funding: A proposal to amend the RBI Act has been made to enable the issuance of electoral bonds. Under this scheme, a donor can purchase bonds from authorised banks against cheque and digital payments only. They shall be redeemable only in the designated account of a registered political party.
- Political parties also to maintain records of the donations received as detailed below:

Amount of donation	Maintenance of records
Less than Rs. 2,000	Not required to maintain any records of the donor, irrespective of the mode of receipt of donation
Rs. 2,000 to Rs. 20,000	No need to maintain any records, if received in modes other than cash. In any case, donations above Rs.2,000 cannot be received in cash at all.
More than Rs. 20,000	Records of the name and address of the person from whom the amounts are received should be maintained. This however, need not be maintained if the amount was received in the form of an electoral bond.

7. International Taxation and Transfer Pricing

- A clarificatory amendment with retrospective effect from 1st April 2012 has been proposed to be made whereby, the provisions of **Indirect Transfer will not be applicable for** Foreign Institutional Investor as referred to in clause (a) of the Explanation to section 115AD, and registered as Category-I or Category II Foreign Portfolio Investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992.
- It is proposed to amend sec 90 and 90A of the Act, to provide that where any 'term' used in a DTAA, is defined under the DTAA, the said term shall be assigned the meaning as provided in the said DTAA. In an instance where the term is not defined in the DTAA, but is defined in the Act, it shall be assigned the meaning as per the definition in the Act or any explanation issued by the Central Government. This shall be effective from 1st April, 2018.
- Amendment has been proposed in the applicability of **Domestic Transfer Pricing**, whereby, such provisions will henceforth **not apply to related party transactions u/s 40A(2)(b)**.

- It is proposed to insert a new section 92CE to provide that the assessee shall be required to carry out a secondary adjustment where the **primary adjustment to transfer price exceeding Rs.1 Crore**, has either been made by the assessee in his return of income; or by the Assessing Officer has been accepted by the assessee; or is determined by an advance pricing agreement entered into by the assessee under section 92CC; or is made as per the safe harbour rules framed under section 92CB; or is arising as a result of resolution of an assessment by way of the mutual agreement procedure under an agreement entered into under section 90 or 90A.

It is proposed to deem the amounts arising as a result of the primary adjustment, that have not been **repatriated to India** within the time as may be prescribed, **to be advances made by the assessee to such associated enterprise** and the **interest on such advance, to be computed as the income of the assessee.**

- Thin Capitalisation – Insertion of new section 94B:

- In the case of an Indian company or a permanent establishment of a foreign company paying **interest or similar expenditure in excess of Rs.1 Crore** in respect of any form of debt received from a non-resident or a permanent establishment of a non-resident being its **associated enterprise**, the deduction allowed against such interest or similar expense is proposed to be restricted to the **lower of 30% of its earnings before interest, taxes, depreciation and amortization (EBITDA) or interest paid or payable to associated enterprise.**
- The disallowed interest expenses shall be allowed to be carried forward to eight assessment years immediately succeeding the assessment year for which the disallowance was first made and deducted against the income computed under the head "Profits and gains of business or profession" to the extent of maximum allowable interest expenditure.
- These provisions shall not apply to Banks and Insurance businesses.

8. TDS , TCS and Advance Tax

- An individual or HUF (other than those covered u/s tax audit) are required to deduct tax at source at the rate of **5%** in case of payment of rent of an amount exceeding Rs.50,000 for a month or part of a month.
 - This deduction is to be made by the payer the last month of the previous year or the last month of tenancy if the property is vacated during the year.
 - The deductor of tax shall **not be required to obtain a TAN**.
- The **tax deductible u/s 194J**, in case of the payee being a person engaged only in the business of operation of call centre has been reduced from **10% to 2%**.
- The concessional rate of TDS @ 5% u/s 194LC on interest payable to a non-resident by a specified company on borrowings made by it in foreign currency from sources outside India under a loan agreement or by way of issue of any long-term bond including long-term infrastructure bond has been **extended** to be available in respect of **borrowings made before the 1st July, 2020** from 1st July, 2017.
- With effect from June 1, 2017, **Individuals and HUFs receiving insurance commission**, may furnish -declaration in **Form No. 15G/15H** for non-deduction of TDS.
- Similar to enhanced rate of TDS if PAN is not furnished, a higher rate of TCS has been proposed in case **PAN is not furnished where TCS is applicable. The higher rate shall be twice the rate or 5% whichever is higher.**
- A person declaring profits and gains in accordance with the presumptive taxation regime provided u/s 44ADA shall also be liable to pay advance tax in **one installment on or before March 15**. Consequential amendment has also been made in section 234C for the calculation of interest if the advance tax paid on or before March 15, is less than the tax due on the returned income.

9. Deductions under Chapter VI-A

- Section 80G: Under the existing provisions, deduction is not allowed in respect of donation made of any sum exceeding Rs.10,000, if the same is not paid by any mode other than cash. This limit is decreased from Rs. 10,000 to Rs. 2,000.
- Section 80-IBA: In the exemption available for low cost housing projects, as introduced in FY 2016, the following amendments have been made:
 - (i) The size of residential unit shall be measured by taking into account the "**carpet area**" as defined in Real Estate (Regulation and Development) Act, 2016 and not the "built-up area".
 - (ii) The restriction of 30 square meters on the size of residential units **shall not apply to the place located within a distance of 25 kms** from the municipal limits of the Chennai, Delhi, Kolkata or Mumbai, as existed earlier.
 - (iii) The condition of period of completion of project for claiming deduction under this section shall be increased from existing **three years to five years**.

10. Filing of return and Assessments

- It is proposed to amend section 133C to empower the Central Board of Direct Taxes to make a scheme for centralised issuance of notice calling for information and documents.
- A fee has been proposed to be levied by the insertion of a new section 234F for delay in filing of an income tax return beyond the due dates specified u/s 139(1).
 - An amount of **Rs.5,000** shall be payable if the return is furnished after the due date but on or before the 31st December of the assessment year and **Rs.10,000** in any other case shall be payable.
 - Consequently, the tax payable on self-assessment u/s 140A shall be inclusive of such fee alongwith the tax and interest payable in case of delay in filing.

- It is also proposed to make consequential amendment in sub-section (1) of section 143, to provide that in computation of amount payable or refund due, as the case may be, on account of processing of return under the said sub-section, the fee payable under section 234F shall also be taken into account.
 - Consequent to the insertion of section 234F, the provisions of section 271F-Penalty on late filing shall not apply in respect of AY 2018-19 and onwards.
- Time for furnishing of revised return shall be available upto the **end of the relevant assessment year** or before the completion of assessment, **whichever is earlier**.
- Time limit for the completion of an assessment u/s 153 has been proposed to be revised as illustrated under:

AY	Time available	Due Date for completion
AY 2015-16	21 months from the end of the AY	December 2017
AY 2016-17	21 months from the end of the AY	December 2018
AY 2017-18	21 months from the end of the AY	December 2019
AY 2018-19	18 months from the end of the AY	September 2020
AY 2019-20 and onwards	12 months from the end of the AY	End of March of the respective Assessment Year

- In the case of non-provision of foreign tax credit on the grounds that the payment of such foreign tax was in dispute, the Assessing Officer shall rectify the assessment order or an intimation u/s 143(1) if the assessee, within six months from the end of the month in which the dispute is settled, furnishes proof of settlement of such dispute, submits evidence before the Assessing Officer that the foreign tax liability has been discharged and furnishes an undertaking that credit of such amount of foreign tax paid has not been directly or indirectly claimed or shall not be claimed for any other assessment year.

11. Penalty and other provisions

- It is proposed to insert Sec. 269ST to provide that no person shall receive an amount of Rs. 3 lakhs or more, in aggregate **from a person in a day** or in respect of **a single transaction** or in respect of **transactions relating to one event or occasion** from a person; in cash.
 - This restriction shall not apply to Government, any banking company, post office savings bank or co-operative bank.
 - It is also proposed to insert a new Section 271DA to provide for levy of penalty of a 100% to the amount of such receipt on a person who receives a sum in contravention of Section 269ST.
 - Consequent amendment has also been proposed to section 206C, to omit the provision relating to TCS @ 1% of sale consideration on cash sale of jewellery exceeding Rs. 5 lakhs.
- An accountant, a merchant banker or a registered valuer, shall be subject to a penalty of Rs.10,000 in case of furnishing of incorrect information in a report or certificate under any provisions of the Act or the rules made thereunder. However, immunity from penalty shall be available u/s 273B, if the person proves that there was reasonable cause for the failure.

Indirect Tax Proposals

1. Customs and central excise :

- **Tariff:**
 - Reduction in customs rate for products such as mobile ATMs, fingerprint readers, iris scanners, POS card readers, as part of make-in-India initiative for parts required for manufacture of LED lights, machinery and parts or setting up fuel cell based system for generation of power.
[Effective – 02.02.2017]
- **Non-tariff:**
 - BoE to be filed within end next working day from date of arrival;
[Effective - date of passing of the Finance Bill, 2017]

2. Service Tax :

- Exemption available to full time post graduate courses by IIMs is now extended even where the course is not residential;
[Effective – 02.02.2017]
- Retrospective exemption has been provided with effect from 1 June 2007 (from date from which renting of immovable property became taxable) in respect of services provided by a State government industrial development corporation or undertaking to industrial units by way of grant of long term lease of thirty years or more of industrial plots so far as it relates to one time upfront fees. Refund claims can be filed in cases where the tax has already been paid.
[Effective retrospectively from 1-6-2007 subject to passing of the Finance Bill]
- To negate recent decision by the Delhi High court relating to construction services where land value is included in the agreement, retrospective changes are proposed
[Effective retrospectively from 1-7-2010 subject to passing of the Finance Bill]

3. Common across Customs, Central Excise and Service Tax :

- AAR under Income Tax Act shall be the authority for advanced rulings under customs, central excise and service tax as well. Pending cases shall also be transferred therein.
[Effective - date of passing of the Finance Bill, 2017]

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