

Overview of Union Budget 2023-24

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Detailed analysis of **Income Tax** Proposals and Amendments

Key highlights – Income Tax...

- There is change in Personal Income Tax Slab Rate in New Regime as follows:

Rs 0-3 lakh	Nil
Rs 3-6 lakh	5 per cent
Rs 6-9 lakh	10 per cent
Rs 9-12 lakh	15 per cent
Rs 12-15 lakh	20 per cent
Above Rs 15 lakh	30 per cent



- Increase in Rebate limit from Rs. 5 Lakhs to Rs. 7 Lakhs in New Tax Regime. (i.e. NIL Tax on Income upto Rs. 7 Lakhs)
- Standard Deduction of benefit extended to Salaried Persons in New Tax Regime also
- Highest Surcharge reduced from 37% to 25% for Income above Rs. 2 Crores for the Individuals, HUF, AOP (other than co-operative), BOI and AJP under the new regime
- A new manufacturing co-operative society set up on or after 01.04.2023 and commencing manufacturing and production before 31.04.2024 can opt for Income Tax Rate @ 15%

...Key highlights – Income Tax

- ⊗ Capital Gain on Transfer of Long-Term Residential Property maximum deduction upto 10 Crores only, if reinvested in a residential house
- ⊗ Capital Gain on Transfer of Long-Term Capital Asset exempt upto 10 Crores only, if the Net Consideration is reinvested in a residential house
- ⊗ Deduction on Income by Start Up Companies will be extended to companies incorporated upto 31.03.2024 instead of 31.03.2023
- ⊗ Also, the carrying forward and setting off of losses by a Start-up extended from 7 years to 10 years
- ⊗ Conversion of Gold to Electronic Gold Receipt and *vice versa* not to be considered as transfer of capital asset
- ⊗ In order to incentivize operations from International Financial Services Centre (IFSC) for the purposes of benefit of capital gain exemption date for transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund in case of relocation is proposed to be extended from 31.03.2023 to 31.03.2025
- ⊗ TDS has been introduced on income by way of winnings from online games @ 30%

New Slab Rates for New Regime

Background

- 🕒 In the previous budget, a new scheme of taxation has been introduced to simplify the tax calculations without permitting many deductions or rebate

Current Scenario & Change in Law

Old Slab rates as follow:

Rs 0 – 2.5 lakh	NIL
Rs 2.5 – 5 lakh	5 per cent
Rs. 5 – 7.5 lakh	10 per cent
Rs. 7.5 – 10 lakh	15 per cent
Rs. 10 – 12.5 lakh	20 per cent
Rs. 12.5 – 15 lakh	25 per cent
Above Rs. 15 lakh	30 per cent

Change in Slab Rates as follow:

Rs 0-3 lakh	Nil
Rs 3-6 lakh	5 per cent
Rs 6-9 lakh	10 per cent
Rs 9-12 lakh	15 per cent
Rs 12-15 lakh	20 per cent
Above Rs 15 lakh	30 per cent

WEF

- 🕒 ASSESSMENT YEAR 2024-2025

Impact

- 🕒 Individual with an Income of Rs 15 Lakhs would be required to pay only Rs. 1.5 Lakhs, a reduction of 20 % from the existing liability of Rs. 1,87,500/-

Increase in Rebate limit in New Regime

Background

- ☑ Rebate under section 87A

Current Scenario

- ☑ Same rebate of Rs. 12,500/- is allowed upto Income of Rs. 5,00,000 in both Old and New Regime

Change in Law

- ☑ Any increased rebate of Rs. 25,000/- will be allowed for person having income upto Rs. 7,00,000 and preferring to pay tax under new regime
- ☑ Under old regime rebate will continue to be Rs. 12,500/- for the income upto Rs. 5,00,000/-

WEF

- ☑ ASSESSMENT YEAR 2024-2025

Impact

- ☑ The persons preferring to pay tax under new regime will have lesser tax liability as compared to the preceding Assessment year

Standard Deduction benefits

- Background** ☑ Standard Deduction benefits for Salaried Individuals
- Current Scenario** ☑ Currently, No Standard Deduction is allowed to salaried individuals opting to pay tax under new regime
- Change in Law** ☑ Now it is proposed to allow Standard Deduction of Rs. 50,000/- for Salary and Rs. 15,000/- for Family Pension under the New Regime also
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ The Tax liability of the salaried individuals opting New regime will further go down

Taxability on Maturity Claims of Insurance Policies

- Background** ☑ Sec. 10(10D) deals with exemption on Any Sum received from a life insurance policy on maturity
- Current Scenario** ☑ Currently, maturity proceeds received from a life insurance policy (other than ULIP) is Exempt from Income Tax u/s 10(10D)
- Change in Law** ☑ Now proposed to tax the same if the amount of premium payable in aggregate total for one PAN exceeds Rs. 5,00,000/- (method of computation will be prescribed) with an exception, in case of death of an individual.
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Insurance policies purchased after 01.04.2023 having premium more than above limit will be taxable on maturity under Income from Other Sources

Double Deduction for Interest paid on Housing Loan

- Background**
 - ⌚ Mode of Computation of Capital Gain (i.e., Cost of Acquisition and Cost of Improvement) (Sec. 48)
- Current Scenario**
 - ⌚ Currently, interest paid on housing loan is allowed as deduction under income from house property and same is added as cost of improvement, consequently reducing tax on capital gain. Therefore, effectively double deduction is allowed
- Change in Law**
 - ⌚ Now, proposed that interest which is allowed while computing income from house property shall not be added as cost of improvement while computing tax liability on capital gain
- WEF**
 - ⌚ ASSESSMENT YEAR 2024-2025
- Impact**
 - ⌚ Hence, now if taxpayer has claimed interest paid on housing loan as deduction under house property, then the same cannot be allowed as cost of improvement for computation of capital gain. Though interest paid till 31.03.2023 will be allowed as double deduction

Gift to a person Not-Ordinarily Resident in India

- Background** ☑ Sec. 9 deals with Income deemed to accrue or arise in India
- Current Scenario** ☑ Currently, gift received of value more than Rs. 50,000/- by non-resident not being a company, or by a foreign company only is treated as deemed income in India
- Change in Law** ☑ Now, it is proposed to amend the said section so as to include person not-ordinarily resident in India also.
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Now, certain persons being not ordinarily residents receiving gifts from persons resident in India will have to pay tax on it.

Valuation of Perquisite of Rent-Free Accommodation

- Background** ☑ Perquisite value for rent free accommodation or concession in rent for central/state govt employees and others (Sec. 17)
- Current Scenario** ☑ Currently, Rule 3 prescribed different methodologies to compute perquisite value for central / state employees and other employees
- Change in Law** ☑ Now uniform method will be prescribed to compute perquisite for rent free accommodation or concession in rent for both category of employees
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Uniformity in computation of perquisite for rent free accommodation or concession in rent for both category of employees

Limiting the deduction under Capital Gain

- Background**  Deduction available for computing capital gain for investment in residential house (Sec. 54 & 54F)
- Current Scenario**  Currently, there is no limit on deduction of capital gain upon investment in residential house
- Change in Law**  Now, upper cap provided of Rs. 10 crores for deduction for investment in residential house (purchased or constructed)
- WEF**  ASSESSMENT YEAR 2024-2025
- Impact**  Now cap of Rs. 10 crores provided for huge deductions earlier claimed by high net worth tax payer

Market Linked Debentures (MLD)

- Background** ☑ Taxability of market linked debentures (MLD)
- Current Scenario** ☑ Currently, income from market linked debentures (MLD) was taxed @ 10% without indexation under long term capital gain even though same were in the nature of derivatives
- Change in Law** ☑ Now proposed that capital gain arising out of redemption of MLD will be treated as short term capital gain (Sec. 50AA)
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Even after the proposed changes MLDs may be better avenue to invest as compared to bank FDs which are taxable under income from other sources at slab rates

Taxability upon Conversion of Electronic Gold

- Background** Sec. 47 deals with transfer of capital assets
- Current Scenario** No clarity is provided for taxability upon conversion from physical gold to electronic gold & *vice versa*
- Change in Law** Now proposed that any transfer from physical gold to electronic gold and *vice versa* (from electronic gold to physical gold) shall not be treated as transfer for computation of capital gain.
 - Cost of acquisition and holding period would be same as physical gold
- WEF** ASSESSMENT YEAR 2024-2025
- Impact** Now, clarity provided on taxability of conversion to and from physical gold to electronic gold

Defining the cost of acquisition of intangible assets

- Background** ☑ Sec. 55 deals with cost of acquisition
- Current Scenario** ☑ Currently, courts have held that cost of acquisition of intangible assets were not treated as NIL and therefore no capital gain was levied upon transfer of intangible assets as computation machinery failed
- Change in Law** ☑ Now proposed that cost of self acquired intangible assets would be NIL and therefore tax payable on capital gain
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Now, tax payable on capital gain where cost of acquisition is NIL

Tax Incentive to IFSC

Background

- ⌚ Sec. 47 deals with time limit on relocation of fund from any outside India jurisdiction to IFSC

Current Scenario

- ⌚ In order to incentivize relocation of fund from outside India to IFSC, terminal date provided till 31.03.2023

Change in Law

- ⌚ Now, the said terminal date is proposed to be extended till 31.03.2025

WEF

- ⌚ ASSESSMENT YEAR 2024-2025

Impact

- ⌚ This will provide more time limit to complete the relocation of fund

Tax Incentive to IFSC

Background

- ⌚ Sec. 47 deals with taxability upon distribution of income by IBU to unit holders

Current Scenario

- ⌚ Currently, tax was paid on income from investment in Off-Shore Derivative Instrument (ODI) u/s 115AD by IFSC Banking Unit (IBU) and tax was also paid by unit holders upon distribution of income by said IBU. Consequently double taxation on single income

Change in Law

- ⌚ Now, proposed to remove such double taxation by providing exemption to ODI unit holders on any income distributed by IBU on which IBU has already paid tax u/s 115AD

WEF

- ⌚ ASSESSMENT YEAR 2024-2025

Impact

- ⌚ This will avoid double taxation on single income

Income distribution by Business Trust to its Units Holders

- Background** ⊙ Sec. 115UA deals with taxation of income from business trust – REIT and InvEIT
- Current Scenario** ⊙ Currently, income of business trust such as interest, dividend and rental income were treated as pass through status and said income taxable in the hand of unit holders under same heads
- ⊙ No tax was paid either by business trust or unit holders upon repayment of debt by business trust
- Change in Law** ⊙ Now proposed that such repayment of debt will be determined as income from other sources subject to deduction of acquisition cost and relevant tax to be paid by unit holders
- WEF** ⊙ ASSESSMENT YEAR 2024-2025
- Impact** ⊙ Net Income on repayment of debt will be taxable under IFOS
- ⊙ (Net Income = repayment of debt by business trust - acquisition cost of unit holder)

Relief to Start Up...

Background

- ☑ Sec. 80-IAC deals with time limit to carry forward and setting off of losses

Current Scenario

- ☑ The current time limit to carry forward and set off loss was for 7 years

Change in Law

- ☑ Now proposed to extend the time limit to carry forward and set off loss upto 10 years

WEF

- ☑ ASSESSMENT YEAR 2024-2025

Impact

- ☑ It will incentivizes the start up business in India by allowing more time to carry forward loss, if any

...Relief to Start Up

Background

- ☑ Sec. 80-IAC deals with extension of date of incorporation for eligible start-up for exemption

Current Scenario

- ☑ The Date of Incorporation to claim deduction u/s 80-IAC for Start up was on or before 31.03.2023

Change in Law

- ☑ Now terminal date of incorporation proposed upto 31.03.2024 to claim deduction subject to other conditions which are unchanged

WEF

- ☑ ASSESSMENT YEAR 2024-2025

Impact

- ☑ It will Incentivizes the start up business in India

Issue of Shares on Premium to Non-Resident

Background

- ⌚ Sec.56(2)(viib) deals with taxability of income from other sources

Current Scenario

- ⌚ Currently, no income from other sources computed on difference of fair value of closely held company and premium charged from non resident shareholders

Change in Law

- ⌚ Now it is provided that said premium received from non resident shareholders in excess of fair value of closely held company will be taxable under the income from other sources (IFOS)

WEF

- ⌚ ASSESSMENT YEAR 2024-2025

Impact

- ⌚ Thus, one more avenue to attract tax free capital loophole plugged therefore excess premium received from non resident shareholders would be taxable

Providing clarity on taxability of benefits/perquisite in cash

- Background** ☑ Sec. 194R deals deduction of tax on benefits/perquisites arising from business/ profession
- Current Scenario** ☑ Courts have interpreted that if the benefit is received in cash it is not regarded as benefit/perquisite hence not taxable (e.g. waiver of loan)
- Change in Law** ☑ Benefits/perquisites received in cash will be covered within the ambit of benefits/perquisites and consequently taxable
- ☑ Consequential clarification is also inserted in section 194R dealing with TDS @ 10% related to such benefit/perquisite
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ TDS will also be applicable on such benefit or perquisite received in cash (e.g. waiver of loan)

Ease in claiming deduction of preliminary expenses

- Background** ☑ Sec. 35D deals with deduction on amortization of preliminary expenditure
- Current Scenario** ☑ Currently, only services of a concern approved by the board for carrying out feasibility/project report for claiming the deduction on amortization of preliminary expenses
- Change in Law** ☑ Now it is proposed to remove the said requirement of certificate and deduction would be available upon prescribed self compliance by tax payer
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Ease of claiming deduction

Timely Payments to Micro and Small Enterprises

- Background** ☑ Sec. 43B deals with certain deductions to be allowed only on actual payment
- Current Scenario** ☑ Currently, there is no provision for payment to Micro and Small Enterprises and therefore expenses allowed even though payment not made according to time limit under MSMED Act.
- Change in Law** ☑ Now, deduction will be allowed in the year in which the actual payment is done to the Micro and Small Enterprises parties, and even if payment done before due date of filing return deduction would be available in the year of payment
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ This will ensure timely payments to Micro and Small Enterprises

Presumptive Income for Small Businesses

Background

- ⌚ Presumptive income scheme for small businesses (Sec. 44AD)

Current Scenario

- ⌚ Any eligible business having total turnover or gross receipts of Rs. 2 crores or less can opt for this scheme

Change in Law

- ⌚ Now it is proposed to increase the limit to opt for this scheme upto Rs. 3 Crores subject to aggregate of amounts received in cash does not exceeds 5% of the total turnover or gross receipts of such previous year

WEF

- ⌚ ASSESSMENT YEAR 2024-2025

Impact

- ⌚ It will lead to ease of compliance and promote non-cash transactions for small business groups

Presumptive Income for Small Professionals

- Background** Presumptive income scheme for small professionals (Sec. 44ADA)
- Current Scenario** Any resident assessee (i.e., an individual, partnership firm other than LLP) having total gross receipts of Rs. 50 lakhs or less can opt for this scheme
- Change in Law** Now it is proposed to increase the limit to opt for this scheme upto Rs. 75 Lakhs subject to aggregate of amounts received in cash does not exceeds 5% of the total gross receipts of such previous year
- WEF** ASSESSMENT YEAR 2024-2025
- Impact** It will lead to ease compliance and promote non-cash transactions for small professionals

Valuation of Inventory by Cost Accountant

- Background**  Valuation of Inventory by Cost Accountant
- Current Scenario**  Currently there is no provision under the Act which empowers the AO to get the valuation of Inventory through cost accountant
- Change in Law**  Now it is proposed to give the power to Assessing Officer (AO) to get inventory valued from cost accountant and time taken to get said report will be excluded from the time limit to complete the Assessment
- WEF**  ASSESSMENT YEAR 2024-2025
- Impact**  Now department can get Inventory valued by qualified cost accountants

Tax rate for Manufacturing by Co-operative Society

- Background** ☑ New Tax Rate for manufacturing under co-operative society
- Current Scenario** ☑ Currently, new domestic companies engaged in manufacturing activities, subject to fulfilment of certain conditions have an option to pay tax @ 15% (and surcharge of 10% on such tax)
- Change in Law** ☑ Now, it is proposed to extend the similar concessional rate of 15% (and surcharge of 10% on such tax) to Co-operative Societies that are set up, registered and commence manufacturing activities between 01.04.2023 to 31.03.2024, subject to certain conditions – (Sec. 115BAE)
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Equal ground provided to co-operative societies as applicable to companies

Income of Body/Authority set up Central or State Act

- Background** ☑ Sec. 10(46A) any income arising to a body or authority or board or trust or commission other than a company
- Current Scenario** ☑ Earlier exemption was a litigated issue
- Change in Law** ☑ Now, it is proposed to insert a new clause 46A under Sec. 10 exempting income of such body/authority or board or trust or commission set up under the central or state act for the object of planning, developing and improvement of cities, towns and villages and for the need of housing accommodation for the benefit of the general public
- WEF** ☑ ASSESSMENT YEAR 2024-2025
- Impact** ☑ Due to insertion of new exemption litigations will reduce

Decriminalisation of Provision for Liquidator

Background

- ⌚ Failure to comply with the provisions for the company in liquidation (sec. 276a & 178)

Current Scenario

- ⌚ If any failure on part of the liquidator, he shall be given a rigorous imprisonment for term which extends to two years

Change in Law

- ⌚ Now, it is proposed to amend this provision, by providing a sunset clause on the section.

WEF

- ⌚ 01.04.2023

Impact

- ⌚ Hence, no fresh prosecution will be launched under this section on or after 01.04.2023. The earlier prosecutions will however continue.

Failure to Deduct or Pay TDS

- Background** ☹ Punishment for failure to pay the tax deducted at source to CG. (Sec. 276B)
- Current Scenario** ☹ Currently, this section covers only failure of payment with respect to tax on distributed profits of domestic companies and TDS on winnings of lottery and cross word puzzle
- Change in Law** ☹ Now, it is proposed w.e.f. 01.04.2023 to impose penalty on failure on account of Section 194R, 194S and w.e.f. 01.07.2023 to include failure on account of newly inserted section 194BA (TDS on Winnings on Online Games)
- WEF** ☹ 01.04.2023 (except for with respect to Sec. 194BA it will be 01.07.2023)
- Impact** ☹ It will ensure timely payment of tax deducted to the credit of Central Government

Mode of taking or accepting certain loans, deposits and specified sum

- Background** ☑ No person shall accept any loan or deposit in a single day from another person in any form other than account payee cheque or bank draft, if aggregate amount involved is Rs 20,000 and more (Sec. 269SS)
- Current Scenario** ☑ Primary agricultural credit society or a primary co-operative agricultural and rural development bank can accept such deposits and issue loans upto Rs. 20,000 in cash
- Change in Law** ☑ This limit has now been increased upto Rs. 2,00,000/- in case of primary agricultural credit society or a primary co-operative agricultural and rural development bank
- WEF** ☑ ASSESSMENT YEAR 2023-2024
- Impact** ☑ It will provide ease of doing business

Mode of repayment of certain loans or deposits

- Background** ☑ No person shall repay any loan or deposit in any form other than account payee cheque or bank draft, if aggregate amount involved is Rs 20,000 and more (Sec. 269T)
- Current Scenario** ☑ Primary agricultural credit society or a primary co-operative agricultural and rural development bank can pay such deposits and accept repayment of loans upto Rs. 20,000 in cash
- Change in Law** ☑ This Limit has now been increased upto Rs. 2,00,000/- incase of primary agricultural credit society or a primary co-operative agricultural and rural development bank
- WEF** ☑ ASSESSMENT YEAR 2023-2024
- Impact** ☑ It will provide ease of doing business

TDS/TCS Amendments...

- ⊙ Currently, 5% TDS applicable on income distribution by Sovereign Wealth Fund lower and Pension Fund (Sec. 194LBA) as same not covered by lower TDS u/s 197
 - ⊙ Now it is proposed w.e.f from 01.04.2023 that tax payer can apply u/s 197 for lower/ nil deduction

- ⊙ Currently, TDS is not required to be deducted on Interest from Listed debentures
 - ⊙ Now it is proposed w.e.f. 01.04.2023, 10% TDS would be applicable on said Interest Income from Listed Debentures

- ⊙ Currently, TDS applicable upon winning from lottery or crossword puzzle exceeding Rs. 10,000/- PER TRANSACTION
 - ⊙ Now it is proposed w.e.f. 01.04.2023, TDS will be applicable on aggregate amount exceeding Rs. 10,000/- during the financial year instead of Rs. 10,000/- per transaction
 - ⊙ New Section proposed w.e.f. 01.07.2023 to deduct TDS @ 30% on net winnings on Online Gaming

...TDS/TCS Amendments...

- ⊙ Currently, TDS deducted at Maximum Marginal Rate (MMR) on provident fund paid to employees for failure to furnish PAN
 - ⊙ Now it is proposed w.e.f. 01.04.2023, to reduced the same from MMR to 20%

- ⊙ Currently, Income distributed by Mutual Fund to Non Residential Unit Holder, TDS deducted @ 20% u/s 196A. As DTAA benefits are not considered.
 - ⊙ Now it is proposed w.e.f. 01.04.2023, that TDS would be deducted at lower of 20% or rates specified under DTAA

- ⊙ Currently TCS is collected @ 5% i) On remittance for overseas tour packages without any threshold ii) On remittance outside India exceeding 7 Lakhs under Liberalised Remittance Scheme
 - ⊙ Now it is proposed w.e.f. 01.07.2023 to Increase the TCS rate to 20% for both cases without any threshold

...TDS/TCS Amendments

- ⊙ Currently there is no penalty and prosecution for failure to pay TDS when payment is in kind
 - ⊙ Now it is proposed w.e.f. 01.04.2023 to levy penalty and initiate prosecution for failure to comply TDS provisions in such cases

- ⊙ Currently, TDS and TCS deducted higher rate in case of non filers of return of income. However, no exclusion provided to certain persons who are not required to furnish return of income
 - ⊙ Now, it is proposed w.e.f. 01.04.2023 to provide exclusion to said persons (i.e., there will be no deduction of higher rate TDS/TCS on Persons who are not required to file return of Income)

Amendment in Charitable or Religious Trust Provisions...

- ⌚ No deductions for re-depositing into corpus or repayment of loans where application from such sources were made prior to 01.04.2021. (Sec. 10(23C)/11)
- ⌚ Deduction shall be available provided funds are re-deposited back to the corpus or loans are repaid within 5 years (Sec. 10(23C)/11)
- ⌚ Only 85% of funds contributed to other charitable organisations out of current year's income to be allowed as an application for the contributing charitable organisation
- ⌚ The trusts and institutions that have commenced the activities shall make the application directly for regular registration instead of provisional registration (Sec. 10(23C)/12AB/80G)
- ⌚ Inaccurate furnishing of information during provisional registration to be a ground for cancellation of registration
- ⌚ Exit tax provision u/s 115TD expanded to include charitable organisations who have not re-registered under new provisions by 25.11.2022 or who do not apply for renewal of registration post expiry of current registration

...Amendment in Charitable or Religious Trust Provisions

- ⌚ Forms for accumulation (form 9A and 10) of income to be filed 2 months prior to the due date of filing return of income
- ⌚ Exemption benefits not available in case of filing updated returns where original return is not filed within the due dates
- ⌚ Exemption under Section 10(23C), Section 11 and 12 would be available only if return of income is furnished within time limit prescribed under Section 139(1) or 139(4) and in accordance with the provision of Sec. 139(4C)/(4A)
- ⌚ The following 3 funds have been omitted u/s 80G(2)(a) of the Act:
 - ⌚ The Jawaharlal Nehru Memorial Fund
 - ⌚ The Indira Gandhi Memorial Trust and
 - ⌚ The Rajiv Gandhi Foundation

Amendment in Assessment & Appeal Provisions...

- ⌚ Currently, Taxpayers are required to file return in response to notice of reassessment within 30 days
 - ⌚ Now it is proposed w.e.f. 01.04.2023, to extend the time limit to 3 months to furnish return of income

- ⌚ Currently, for computing the period of limitation for issue of notice for reassessment last 15 days of march are not excluded even if search initiated/ authorisation executed, requisition made after 15th march of financial year
 - ⌚ Now it is proposed, w.e.f. 01.04.2023 to exclude the said period in completion of time limit after 15th march

- ⌚ Currently, time limit for passing order of the assessment or best judgement assessment is 9 months for the end of the relevant Assessment Year (Sec. 153)
 - ⌚ Now it is proposed w.e.f. 01.04.2023 to extend the same upto 12 months

...Amendment in Assessment & Appeal Provisions

- ⌚ Currently, first appellate authority for an aggrieved taxpayer is Commissioner (Appeals) (CIT(A)) and said CIT(A) overburdened due to huge backlog
 - ⌚ Now it is proposed w.e.f. 01.04.2023 to clear the above bottleneck proposed to create the post of Joint / Additional Commissioner to handle certain class of appeals and they would have same power of Commissioner Appeals
- ⌚ Penalty order passed by Commissioner of Income Tax (Appeals) [CIT(A)] under certain categories and revision order passed by certain income tax officers are now appealable orders before the Income Tax Appellate Tribunal (ITAT)

Other Amendments – Income Tax...

- ⊗ The clause for exemption of any income of the National Financial Holdings Company Limited has been omitted
- ⊗ Section 45(5A) amended to include consideration received in “cheque or draft or any other mode” also in Joint Development Agreement (JDA) for determining the full value of consideration so as to deduct TDS u/s 194IC on said value also. As previously, TDS was not deducted on amount received in cheque or draft or any other mode under JDA
- ⊗ Penalty for furnishing inaccurate statement of financial transaction or reportable account to be imposed of Rs. 5,000/- on the financial institution w.e.f. 01.04.2023 (Sec. 271FAA), though they can claim from account holder
- ⊗ SEZ units claiming deduction u/s 10AA required to file return of Income within due date and exports proceeds should be remitted in India within 6 months from the end of the previous year or any extension granted by competent authority
- ⊗ Currently there are different sections to withhold refund against outstanding demand/likely demand. Now it is proposed w.e.f. 01.04.2023 to integrate the above overlapping sections to single section. Further, no interest will be paid on such withheld refund

...Other Amendments – Income Tax

- ⌚ Currently, there is difficulty in claiming TDS where Income reported in earlier year, but TDS deducted in subsequent years. Now it is proposed w.e.f. 01.10.2023, taxpayer can apply in prescribed form to the assessing officer within 2 years from the end of the financial year in which such tax was deducted and upon such application AO will amend the order/intimation. (Sec. 155(20)). Also interest on refund sanctionable due to this section will be paid from the date of the application to the date of payment of refund. (Sec. 244A)
- ⌚ Currently, transfer pricing document can be submitted within 30 days (further extended by 30 days upon application) in the course of TP proceedings. Now, it is proposed w.e.f. 01.04.2023 that the said 30 days limit will be reduced to 10 days
- ⌚ It is proposed to insert new Sec. 80CCH for deductions under the *Agniveer Corpus Fund* by an individual enrolled in the *Agnipath* Scheme

Abbreviations...

WEF	With Effect From
FY	Financial Year
FTP	Foreign Trade Policy
Govt.	Government
GST	Goods and Service tax
Sec.	Section
T/o	Turnover
TCS	Tax collected at source
SEZ	Special economic zone
CGST	Central goods and service tax
IGST	Integrated goods and service tax
FEMA	Foreign Exchange Management Act

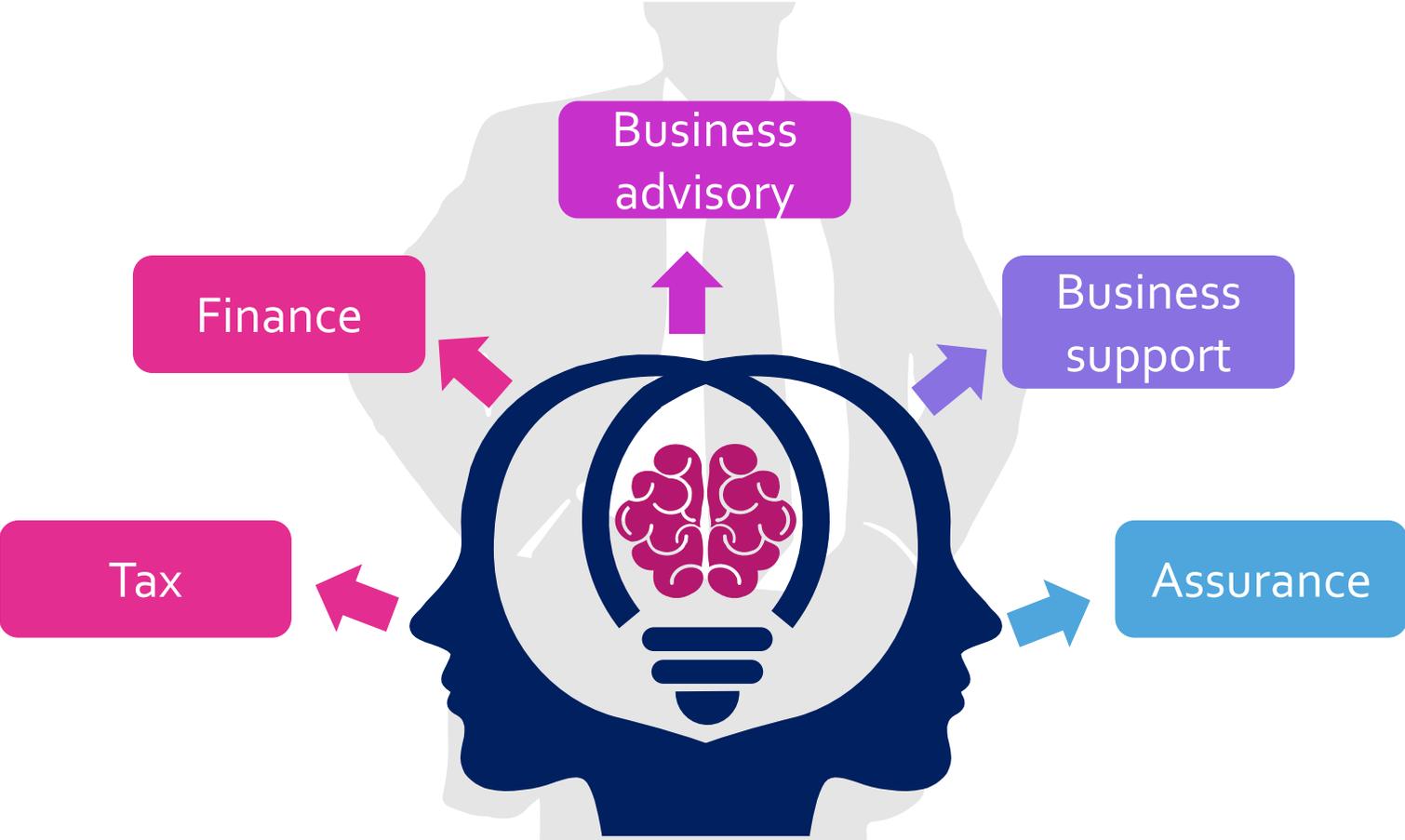
...Abbreviations...

GOI	Government of India
AIDC	Agriculture Infrastructure and Development Cess
FA	Finance Act, 1994
Not.	Notification
TRU	Tax Research Unit
WEF	With Effect From
BCD	Basic Customs Duty
CBIC	Central Board of Indirect Taxes and Customs
BOE	Bill of entry
CVD	Countervailing Duty
ADD	Anti-dumping duty
EOU	Export Oriented Unit

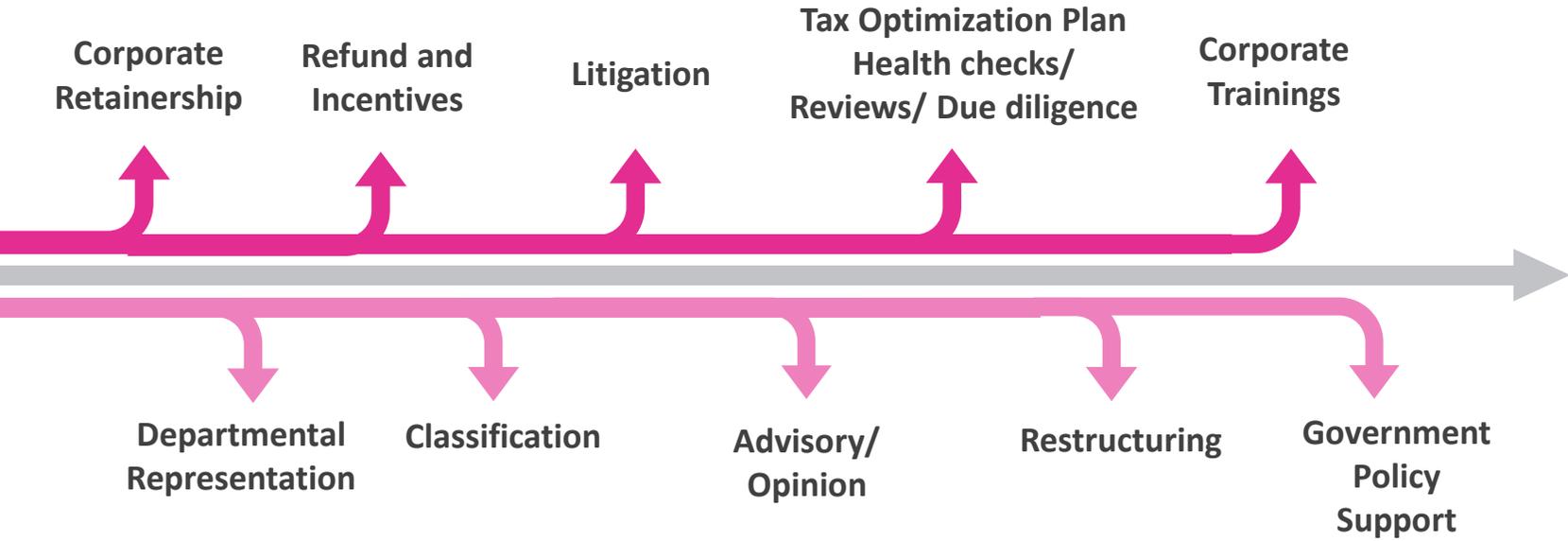
...Abbreviations

CG	Central Government
DTA	Domestic Tariff Area
SWS	Social Welfare Surcharge
Cr.	Rupees in Crores
ITC	Input Tax Credit
SB	Shipping Bill
U/s	Under Section

What do we do?...



... What do we do?



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