

Income Tax department rejects tax exemption applications of three institutes

The income tax (I-T) department has cancelled the applications of three educational institutions seeking exemptions under the Section 10 (23C) IVa of the Income Tax Act as these educational institutions have a turnover of more than Rs 1 crore and still had not applied for exemptions under the relevant sections of the Act, said sources here on Monday.

Surendra Mishra, chief commissioner, I-T, Indore, said that these institutions would be asked for filing the return for their income for the current fiscal and the last two years.

Educational institutions, which have a turnover of over Rs 1 crore and are yet to apply for exemptions under Section 10 (23C) IVa of the I-T Act will not be able to claim any exemption under the Act.

Accordingly, the I-T department rejected the applications for exemptions of three educational institutes namely Patel Education Society, Jirati Education Society (Mandleshwar) and St Paul Convent Samiti (Zawra, Ratlam). These educational institutions have a turnover of over Rs 1 crore and yet, they did not apply for exemptions under the Act.

The department has launched a drive to identify all the schools and colleges falling under all 13 districts of Indore region to find out if the schools and colleges were remitting taxes as per the norms, said Mishra. There is a provision of 100% exemption under the Act for such educational institutions, provided their activity was not aiming for making profits.

(Times of India)