



## ***My Dear Friend***

*I am presenting **Thursday Article as Proposed 66 tax amendments through Finance Bill (Budget) 2023 in India***

- 1. Any kind of non-compliance is attracting **Financial Penalties + imprisonment** (both).*
- 2. It's humbly suggested to stop non-compliance against furnishing of legal documents + correct information's (both).*
- 3. I trust that you will be enriched by reading this article*

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**● *With best wishes from CA. Satish Agarwal, New Delhi* ●**



## Proposed 66 tax amendments through Finance Bill (Budget) 2023 in India

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## **Proposed 66 tax amendments through Finance Bill (Budget) 2023 in India**

### **(A) Proposed Amendments for Income Tax + Education Cesses + Surcharge**

#### **1. Rates of Income tax for Individual under New Tax Regime (Ay 2024-25)**

(i) *Table for proposed slab of Income + Rate of Income Tax + Amount of Tax (all)*

<b>S.No</b>	<b>Slab of Income</b>	<b>Proposed rate of Income tax</b>	<b>Amount of Tax</b>
(a)	Not Exceeding the 3 Lac	0%	0
(b)	Not Exceeding the 6 Lac	5%	15,000
(c)	Not Exceeding the 9 Lac	10%	45,000
(d)	Not Exceeding the 12 Lac	15%	90,000
(e)	Exceeding the 15 Lac	20%	----

(ii) *Not permitted deductions under Income Tax Act (ITA) 1961*

- Individual + HUF + Etc. (all) not permitted to avail the deductions as available under section 80A to 80VV + any other section of ITA 1961 under new tax regime.

(iii) *Permitted deductions under ITA, 1961*

- Individual is permitted to avail certain deductions under ITA 1961.

(a) *Permitted for standard deduction (Section 16(ia))*

(b) *Permitted for Family Pension deduction (Section 57(ia))*

(c) *Permitted for deduction against deposits in Agniveer Corpus Fund (Section 80CCH(2))*

#### **2. Rates of Income tax for Individual under Old Tax Regime (Ay 2024-25)**

(i) *Table for existing slab of Income + Rate of Income Tax + Amount of Tax (all)*



<i>S.No</i>	<i>Slab of Income</i>	<i>Existing rate of Income tax</i>	<i>Amount of Tax</i>
(a)	Not Exceeding the 2.5 Lac	0%	0
(b)	Not Exceeding the 5 Lac	5%	12,500
(c)	Not Exceeding the 10 Lac	20%	1,12,500
(d)	Exceeding the 10 Lac	30%	----

(ii) *Senior Citizen (Having age exceeding 60 year)*

<i>S.No</i>	<i>Slab of Income</i>	<i>Existing rate of Income tax</i>	<i>Amount of Tax</i>
(a)	Not Exceeding the 3 Lac	0%	0
(b)	Not Exceeding the 5 Lac	5%	10,000
(c)	Not Exceeding the 10 Lac	20%	1,10,000
(d)	Exceeding the 10 Lac	30%	----

(iii) *Super Senior Citizen (Having age exceeding 80 year)*

<i>S.No</i>	<i>Slab of Income</i>	<i>Existing rate of Income tax</i>	<i>Amount of Tax</i>
(a)	Not Exceeding the 5 Lac	0%	0
(b)	Not Exceeding the 10 Lac	20%	1,00,000
(c)	Exceeding the 10 Lac	30%	----

### 3. *Miscellaneous provisions for Individual + HUF (Ay 2024-25)*

(i) *Rates for Education cesses on amount of Income tax*

- *Education cesses @ 4% on amount of Income tax liability to be levied on individual + HUF (both)*

(ii) *Tax Rebate for resident individual under section 87A of IT Act, 1961*

- *Resident Individual is permitted to avail a maximum tax rebate INR 25 thousand before education cess under section 87A of IT Act, 1961 where taxable income is not exceeding INR 7 Lac under new tax regime of IT Act, 1961.*



(iii) *Rates of Surcharge for non dividend income + non capital gains*

<i>S.No</i>	<i>Income (Rs)</i>	<i>Proposed rate of tax under New Regime</i>	<i>Existing rate of tax under Old Regime</i>
(a)	<i>Not Exceeding the 50 Lac</i>	<i>Nil</i>	<i>Nil</i>
(b)	<i>Not Exceeding the 100 Lac</i>	<i>10%</i>	<i>10%</i>
(c)	<i>Not Exceeding the 200 Lac</i>	<i>15%</i>	<i>15%</i>
(d)	<i>Not Exceeding the 500 Lac</i>	<i>25%</i>	<i>25%</i>
(e)	<i>Exceeding the 500 Lac</i>	<i>25%</i>	<i>37%</i>

(iv) *Rates of Surcharge for dividend income + capital gains*

- *Surcharge @ 15% on amount of Income tax liability to be levied on income of Individual + HUF (both) for dividend income + capital gains under section 111A + 112 + 112A (any).*

#### **4. Rates of Income tax for Corporate (Ay 2024-25)**

(i) *Rates of Income tax for Indian (Domestic) company + Foreign company (both)*

<i>S.No</i>	<i>Income</i>	<i>Existing rate of tax</i>
(a)	<i>Rate of Income tax + Surcharge on Indian (domestic) company where total income is not exceeding INR 100 Lac</i>	<i>Income Tax @ 30% + Surcharge @ 0% (both)</i>
(b)	<i>Rate of Income tax + Surcharge on Indian (domestic) company where total income is not exceeding INR 1000 Lac</i>	<i>Income Tax @ 30% + Surcharge @ 7% (both)</i>
(c)	<i>Rate of Income tax + Surcharge on Indian (domestic) company where total income is exceeding INR 1000 Lac</i>	<i>Income Tax @ 30% + Surcharge @ 12%</i>
(d)	<i>Rate of Income tax + Surcharge on foreign company where total income is not exceeding INR 100 Lac</i>	<i>Income Tax @ 40% + Surcharge @ 0% (both)</i>
(e)	<i>Rate of Income tax + Surcharge on foreign company where total income is not exceeding INR 1000 Lac</i>	<i>Income Tax @ 40% + Surcharge @ 2% (both)</i>
(f)	<i>Rate of Income tax + Surcharge on foreign company where total income is exceeding INR 1000 Lac</i>	<i>Income Tax @ 40% + Surcharge @ 5% (both)</i>





(ii) *Misc. provisions for Indian (domestic) company + Foreign company (both)*

(a) *Education cesses @ 4% on amount of Income tax to be levied on Indian (domestic) + Foreign company (both)*

(b) *Income tax @ 25% to be levied on Indian (domestic) company where total turnover + gross receipts (any) in preceding to previous year is not exceeding INR 400 crore*

## 5. Rates of Income tax for Partnership Firm + LLP (Ay 2024-25)

<i>S.No</i>	<i>Income</i>	<i>Existing rate of tax</i>
(i)	<i>Rate of Income tax + Surcharge on Partnership firm + LLP where total income is not exceeding INR 100 Lac</i>	<i>Income Tax @ 30% + Surcharge @ 0% (both)</i>
(ii)	<i>Rate of Income tax + Surcharge on Partnership firm + LLP where total income is exceeding INR 100 Lac</i>	<i>Income Tax @ 30% + Surcharge @ 12% (both)</i>

- *Education cesses @ 4% on amount of Income tax liability to be levied.*

## 6. Rates of Income tax for Co-operative Society (Ay 2024-25)

(i) *Rates of Income tax for Co-operative society*

<i>S.No</i>	<i>Particulars</i>	<i>Rate of Tax</i>	<i>Amount of Tax</i>
(a)	<i>Rate of Income tax on Co-operative society where total income is not exceeding INR 10 thousand</i>	<i>10%</i>	<i>1000</i>
(b)	<i>Rate of Income tax on Co-operative society where total income is not exceeding INR 20 thousand</i>	<i>20%</i>	<i>3000</i>
(c)	<i>Rate of Income tax on Co-operative society where total income is exceeding INR 20 thousand</i>	<i>30%</i>	<i>3000 + @ 30%</i>



*(ii) Rates of Surcharge for Co-operative society*

<i>S.No</i>	<i>Income</i>	<i>Existing rate of Surcharge</i>
<i>(a)</i>	<i>Rate of Surcharge where income is not exceeding INR 100 Lac</i>	<i>0%</i>
<i>(b)</i>	<i>Rate of Surcharge where income is not exceeding INR 1000 Lac</i>	<i>7%</i>
<i>(c)</i>	<i>Rate of Surcharge where income is exceeding INR 1000 Lac</i>	<i>12%</i>

*(iii) Rates of Education cesses for Co-operative society*

- *Education cesses @ 4% on amount of Income tax liability to be levied.*

*(iv) Misc. provision for Co-operative society*

*(a) Co-operative society as resident in India is permitted to pay Income tax @ 22% + surcharge @ 10% under section 115BAD of IT Act, 1961*

*or*

*(b) Co-operative society as resident in India is permitted to pay Income tax @ 15% + surcharge @ 10% under section 115BAE of IT Act, 1961*



## **(B) Proposed Amendments under Taxable + Tax-free Incomes for Individual**

### **7. Income tax on tax free Income as received from business trust (Ay. 24-25)**

(i) *Old Provisions where income is tax free in hands of business trust*

(a) *Income as earned by Real Estate Investment Trust (REIT) + Infrastructure Investment Trust (InVIT) as commonly known as business trust is tax free in hands of trust*

*+ (plus)*

(b) *Income is taxable in hands of unit holder except specifically if exempted under IT Act, 1961*

(ii) *New Provisions where income is tax free in hands of business trust (Section 56(2)(xii)) but taxable in hands of unit holder*

(a) *Now Income of unit holder + any sum as received like refund against debt (both) from business trust is chargeable to Income tax under Income from other sources – (minus) income as received as referred under section 10 (23FC) + (23FCA) of IT Act, 1961*

*+ (plus)*

(b) *Also not chargeable to tax under section 115UA (2) of IT Act, 1961*

(c) *Cost of acquisition of unit to be reduced by amount as received by unit holder from business trust against redemption of unit for computing an amount of capital gains on redemption.*

### **8. Income tax on tax free income under life insurance policies (Ay. 24-25)**

(i) *Income tax to be levied on income against insurance policies where aggregate annual premiums are exceeding INR 5 Lac*

(ii) *However Income tax is not to be levied on income against insurance policies where aggregate annual premiums beside exceeding INR 5 Lac but received on death of insured person (both) conditions be satisfied for claiming an exemption of Income tax.*



(iii) *Income on insurance policies to be taxed under income from other sources.*

## **9. Interest on borrowed capital for acquiring + etc. of property (Ay 24-25)**

- *Interest on borrowed money for acquiring + renewing + reconstructing (any) of Immovable property not to be included for cost of acquisition + cost of improvement for computing capital gains under section 48 (ii) of IT Act, 1961 where interest on borrowed money already claimed under section 24 + Chapter VIA (any) IT Act,1961.*

## **10. Deduction for contribution to Agnipath Scheme + Withdrawal (Ay 23-24)**

- (i) *Payment as received from Agniveer Corpus Fund by person already enrolled under Agnipath Scheme, 2022 is not to be taxed under new clause 10(1)(12C) of IT Act, 1961*
- (ii) *Contribution as made by Central Government to Agniveer Corpus Fund to be considered as salary under new clause 17(1)(ix) + also deduction is permitted against salary income under section 80CCH under new tax regime of IT Act, 1961*
- (iii) *Meaning of Agnipath Scheme*
- *Agnipath scheme is defined as scheme for enrolment in Indian Armed Forces as introduced by Central Government + Agniveer Corpus Fund as defined under para 2(c) of Agnipath Scheme as notified by Central Government*

## **11. Rate of TDS where PAN is not provided by Employee (Ay 24-25)**

- *Now TDS @ 20% to be applied where PAN is not provided by employee instead TDS @ Maximum Marginal Rate already existed under section 192A of IT Act, 1961.*



## **(C) Proposed Amendments under Income from Business and Profession**

### **12. Set-off not permitted against loss + unabsorbed depreciation (Ay. 24-25)**

- Set-off is not permitted against any brought forward loss + unabsorbed depreciation of preceding previous years where taxpayer is declaring his income during previous year through presumption taxation under section 44BB + 44BBB of IT Act, 1961.

### **13. Relief for sugar co-operatives societies against old demands (Ay. 24-25)**

- (i) Sugar co-operative societies are permitted to avail the deduction against higher price already paid for purchase of sugarcane as based on price fixed by govt. + also deduction was disallowed by Assessing Officer (AO).
- (ii) Now AO is required to allow the deduction already disallowed by him after receipt of application from taxpayer under section 155(19) of IT Act, 1961.
- (iii) Now AO is required to re-compute the total income of taxpayer under section 154 of IT Act, 1961 through allowing already disallowed of expenditure in 4 year from end of previous year as commencing on April 01, 2022.

### **14. Allow the expenses on actual payment basis to MSME (Ay. 24-25)**

- (i) Now purchaser of goods + services (any) not permitted to avail the deduction under section 43B (h) of IT Act, 1961 without actual payment to MSME in time limit as specified under section 15 of MSMED Act, 2006  
+ (plus)
- (ii) Also not permitted to avail the deduction under section 43B (h) of IT Act, 1961 beside actual payment is made before due date of filing of Income Tax Return under section 139 of IT Act, 1961.

### **15. Extension against date of incorporation for eligible startup (Ay. 23-24)**

- Now deduction is permitted against 100% profit and gains as derived through eligible business by eligible startup as not exceeding for 3 consecutive year in



block of **10 year** from year of incorporation where incorporation for eligible startup is made **not** exceeding the March 31<sup>st</sup> 2024.

**16. Relaxation in definition of strategic investment in Section 72A (Ay. 23-24)**

(i) Reduction is permitted in shareholding as below **51%** where shareholding was above **51%** before sale of shareholding.

+ (plus)

(ii) Also transfer of control to be carried by Central Govt. or State Govt. or Public Sector Company or any combination.

+ (plus)

(iii) Also allowed the carry forward of accumulated losses + unabsorbed depreciation allowance against amalgamation of **1** or more of banking companies with other banking institution or company where amalgamation is taking place in next **5 year** under strategic disinvestment under section **72A** of IT Act, 1961.

**17. Concessional tax for new manufacturing co-operative society (Ay. 24-25)**

(i) Now new manufacturing co-operative society is permitted to avail a concessional rate of Income tax @ **15%** where co-operative society is registered **after** March 31, 2023 + also commenced the manufacturing + production of article + things (any) **before** March 31, 2024 under new section **115BAE** of IT Act, 1961.

(ii) **100%** conditions are same as applicable for new manufacturing company where concessional rate of income tax @ **15 %** is permitted

**18. Losses carry forward of start-ups up to 10 year from incorporation (24-25)**

- Now carry forwarded of losses are permitted for start-ups up to **10 year** from year of incorporation where **100%** shareholders are continuing holding the equity shares on last day of closing of previous year of set-off under section **79(1)** + losses of eligible start-ups should be as referred under section **80-IAC** IT Act, 1961 **both** conditions to be satisfied.



## **19. Relaxation for claiming deduction against preliminary expenditures (24-25)**

- Now taxpayer is required to furnish a statement as containing the particulars of preliminary expenditures in prescribed period + with prescribed Income-tax authority + in prescribed form and manner (all) under section 35D of IT Act, 1961 instead of obtaining prior approval as **presently** required.

## **20. Increased threshold limits for presumptive taxation schemes (Ay 24-25)**

- (i) Now threshold limit is increased as not exceeding INR **300 lac** for **non profession** where cash amount as received during previous year is not exceeding the **5%** of total turnover + gross receipts (any) under section **44AD** of IT Act, 1961.
- (ii) Now threshold limit is increased as not exceeding INR **75 lac** for **profession** where cash amount as received during previous year is not exceeding the **5%** of total turnover + gross receipts (any) under section **44ADA** of IT Act, 1961.
- (iii) However amount as received by non account payee cheque + DD (any) to be treated as received in cash.



## **(D) Proposed Amendments under Capital Gains on Capital Assets**

### **21. Restrictions on exemption against Capital Gains on Capital Assets (24-25)**

- (i) Now maximum exemption is permitted as not exceeding INR 10 crore against investment in new asset under section 54 + 54F (both) of IT Act, 1961  
+ (plus)
- (ii) Now taxpayer is not required as exceeding INR 10 crore in specified bank account in 6 month from date of sale of immovable property
- (iii) Hence taxpayer is not allowed to claim exemption as exceeding INR 10 crore against investment in new asset under section 54 + 54F (both) of IT Act, 1961 beside actual investment is exceeding INR 10 crore.

### **22. Special taxation of capital gains against Market Linked Debentures (24-25)**

- (i) Now 100% value of consideration as received or accruing against transfer + redemption + maturity (any) of Market Linked Debentures – (minus) cost of acquisition of debenture + expenditure as incurred wholly + exclusively for transfer or redemption of debenture to be treated as short term capital gains beside any period of holding.
- (ii) Hence capital gains against Market Linked Debentured is not permitted to be treated as long term capital gains beside any period of holding

### **23. Synergy between provisions of section 45(5A) and 194-IC (Ay 24-25)**

- (i) 100% consideration or stamp duty value whichever higher to be treated as consideration like received in cash + in cheque + draft + any other mode (all) under section 45(5A) of IT Act, 1961
- (ii) Hence 100% value of consideration for purpose of TDS will be same as abovementioned under section 194-IC for computing share of taxpayer in Joint Development Agreement (JDA) like individual + HUF (both) for computation of





*capital gains against land or building or both in previous year when Certificate of Completion (CC) issued by competent authority*

**24. Capital gains on conversion between EGR and gold + vice versa (Ay 24-25)**

- (i) Now conversion of physical gold into Electronic Gold Receipt (EGR) + vice versa (both) not treated as transfer of capital assets under section 47(viid) IT Act, 1961. Hence tax is not to be levied on abovementioned conversion under capital gains tax.*
- (ii) Cost of acquisition of EGR for computing of capital gains to be deemed the cost of physical gold in hands of holder of EGR + vice versa prior to conversion.*
- (iii) Holding period for computing of capital gains to be deemed the period of physical gold in hands of holder of EGR + vice versa prior to conversion.*



## ***(E) Proposed Amendments under Income from Other Sources***

### ***25. TDS on income against winning from online game (Ay 23-24)***

- *TDS on income @ 30% to be adopted against any income earned as winning from online game under section 194BA of IT Act, 1961.*

### ***26. Deemed income where issue of shares exceeding Fair Market Value (24-25)***

- (i) Equity shares issuing company where public is not substantially interested is required to pay an Income tax on consideration as received in excess of Fair Market Value (FMV) under head income from other sources under section 56(2)(viib) of IT Act, 1961*
- (ii) (a) Presently FMV for unquoted equity shares to be computed in accordance with Rule 11UA of Income Tax Rules (ITR) 1962*
- (b) Presently FMV for unquoted equity shares is not to be computed in accordance with Rule 11UA of Income Tax Rules (ITR) 1962 where shareholder is Non Resident (NR) through FDI route.*
- (iii) Proposed FMV for unquoted equity shares to be computed in accordance with Rule 11UA of Income Tax Rules (ITR) 1962 for resident + non-resident (both) to eliminate the possibility of tax avoidance against investment by non-resident*



## **(F) Proposed Amendments under International Taxation**

### **27. Income tax against receipt of Gift by not-ordinarily resident (Ay 24-25)**

- (i) *Presently* Income tax to be levied against receipt of Gift by Non-Resident (NR) *only* where amount of gift is exceeding INR 50 thousand in financial year as income deemed to accrue or arise in India and taxable under section 9(1)(viii) of IT Act, 1961
- (ii) *Proposed* Income tax to be levied against receipt of Gift by Non-Resident (NR) + Resident but Not-Ordinarily Resident (RNOR) *both* where amount of gift is exceeding INR 50 thousand in financial year as income deemed to accrue or arise in India and taxable under section 9(1)(viii) of IT Act, 1961

### **28. Withdrawal of exemption already provided to notified news agency (24-25)**

- *Proposed* exemption of income to be withdrawn where notified news agency to be set-up in India as *solely* for collection and distribution of news under section 10(22B) of IT Act, 1961.

### **29. Elimination of Double Taxation on distributed income from IFSC (Ay 24-25)**

- (i) (a) *Presently* income as received by International Financial Services Centre (IFSC) Banking Unit (IBU) from investment as made under ODI contract to be taxed as capital gains + interest + dividend (all).  
*+ (plus)*
- (b) *Presently* income of non-resident as received against transfer of Offshore Derivative Instruments (ODI) like capital gains to be exempted under section 10 (4E) of IT Act, 1961.  
*+ (plus)*
- (c) *Presently* income of non-resident as Interest + dividend (both) not exempted under section 10 (4E) of IT Act, 1961.
- (ii) *Proposed* income as distributed to non - resident under ODI contract like



*interest + dividend (both) to be exempted where distributed income already taxed in hands of IFSC banking unit.*

**30. Non applicability of Thin Capitalization Rules on NBFCs (Ay 24-25)**

- *Now provisions under thin capitalization rules for deduction of interest are not applicable against class of NBFCs as notified by Central Government in Official Gazette under section 94B(3) of IT Act, 1961*

**31. Permissible lower TDS against payment to Non Resident (Ay 24-25)**

- *Now TDS @ 20% or rate as prescribed in DTAA whichever lower be adopted where non-resident is providing TRC + Form 10F (both) instead of providing PAN under section 196A(1) of IT Act, 1961*



## **(G) Proposed Amendments under Charitable Institution + Society + Trust**

### **32. Exemption of income for development of authorities + etc. (Ay 24-25)**

- (i) Now restriction on income from commercial activity is removed for non company as body + authority + Board + Trust + Commission (any) established or constituted under Central or State Act for 1 or more than 1 specified purposes + also notified by Central Government in Official Gazette under **new** section **10(46A)** of IT Act, 1961
- (ii) Hence income from commercial activities of abovementioned are exempted for levy of income tax under section **10 (46A)** of IT Act, 1961

### **33. Depositing back to corpus + repayment of loan or borrowing (Ay 24-25)**

- (i) Now depositing back to corpus + repayment of loan or borrowing (any) not allowed as application for charitable or religious purpose when **already** allowed as application for charitable or religious purpose up to March 31, 2021
- (ii) Now deposit back to corpus + repayment of loan or borrowing (any) not allowed as application for charitable or religious purpose where same is not claimed as application for charitable or religious purpose in **5 year** of application.
- (iii) However Charitable Institution + Society + Trust (any) mandatory is required to satisfy the conditions **already** specified under IT Act, 1961 for treating as application for charitable or religious purpose.

### **34. Provisions for treating a donation to other charitable institution (Ay 24-25)**

- (i) (a) Now charitable institution + society + trust + etc. (all) required to treat @ **85%** as application against amount as given for charitable or religious purpose to other charitable institution + society + trust + etc. (any)



(b) Hence balance @ 15% (100% - 85%) not to be treated as application for charitable or religious purpose accordingly tax treatment to be adopted.

(c) Moreover 72.25% (@85% as multiply with @85%) to be treated as application where recipient charitable institution + society + trust + etc. (any) is further donating to another charitable institution + society + trust + etc for charitable or religious purpose.

### **35. Not required for charitable exemption (Ay 24-25)**

(i) **Presently** charitable institution + society + trust + etc. (any) required to apply for provisional registration before commencement of activity

(ii) **Proposed** charitable institution + society + trust + etc. (any) not required for roll back of provisions as were provided in 2<sup>nd</sup> + 3<sup>rd</sup> proviso of 12A (2) of IT Act, 1961 after amendment of section 12A by Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020

### **36. Combining provisional and regular registration (Ay 24-25)**

- Now direct final registration (approval) is permitted instead provisional and regular registration separately.

### **37. Concept of specified violations under section 12AB + 10(23C) (Ay 24-25)**

- Now specified violation provisions to be applied where application as referred under section 12AB + 10(23C) (both) not treated as complete or containing the false or incorrect information's.

### **38. Time limit for furnishing of form for accumulation of income + TAR (24-25)**

- Now date of filling of Form No. 10A or 9A is permitted a minimum 2 month before due date as specified for filling of Income Tax Return (ITR) under section 139(1) of IT Act, 1961



**39. Denial of exemption where return of income is not filed in time (Ay 24-25)**

- (i) Exemption under section 10 (23C) (iv)+(v)+(vi)+(via) of IT Act, 1961 not available where charitable institution + society + trust + etc. (any) not filed the ITR in time as specified under section 139(1) of IT Act, 1961
- + (plus)
- (ii) Exemption under section 11 + 12 of IT Act, 1961 not available where charitable institution + society + trust + etc. (any) not filed the ITR in time as specified under section 139(1) of IT Act, 1961



## ***(H) Proposed Amendments under Tax Administration + Compliance (both)***

### ***40. Audit for Inventory Valuation by Nominated Cost Accountant (Ay 2023-24)***

- (i) (a) *Proposed* that inventory to be valued in accordance with various provisions of IT Act, 1961.

(b) *Hence Assessing Officer (AO) is permitted to make an enquiry during assessment proceedings about inventory valuation.*
- (ii) *Proposed* that AO is permitted to take approval from Principle Commissioner of Income Tax (PCIT) or Commissioner of Income Tax (CIT) for having inventory valuation audit from nominated Cost Accountant under section 142 of IT Act, 1961 where nature + complexity of accounts + volume of accounts + also AO have doubt about correctness of accounts + multiplicity of transactions in accounts + specialized nature of business activity of taxpayer + also audit in interest of revenue (govt).
- (iii) *Proposed* that Cost Accountant for conducting audit of accounts to be nominated by PCIT or CIT + Cost Accountant to furnish a audit report of inventory valuation in prescribed form + duly signed + certified + verified the particulars as prescribed by AO.
- (iv) *Proposed* that AO is required to given a reasonable opportunity of being heard to taxpayer before directing to nominated cost accountant for conducting audit of accounts for inventory valuation under section 142 of IT Act, 1961

### ***41. Withholding of refunds in certain cases (Ay 2023-24)***

- (i) *Proposed* that AO + PCIT + CIT (any) permitted to withhold the Income tax refund against outstanding demand as payable under section 245 of IT Act, 1961 after giving an intimation in writing to taxpayer before issuing order for withholding the income tax refund
- (ii) (a) *AO is permitted to release the income tax refund of Income tax after reviewing the facts about pending proceedings of assessment + re-assessment (any)*





+ (plus)

(b) AO is required to obtain an approval from PCIT or CIT after recording the reasons in writing.

(iii) Proposed that section 241A of IT Act, 1961 is not applicable from April 01<sup>st</sup> 2023.

(iv) Proposed that existing position for allowing of interest to be continued under section 244A (1A) of IT Act, 1961.

#### **42. Clarification for Interest (section 234B) against Updated Return (22-23)**

- Proposed that interest under section 234B of IT Act, 1961 to be paid on 100% computed Income tax against updated return *-(minus)* amount paid as advance tax *-(minus)* TDS as claimed in original return (if any) under section 140b(4) of IT Act, 1961

#### **43. Extension of Time for rectification by Interim Board of Settlement (22-23)**

- Proposed that extension of time for rectification by Interim Board of Settlement (IBS) permitted as not exceeding September 30, 2023 where time limit for amending an order or for making an application already expired after February 01, 2021 but before February 01, 2022 under section 245D(9) of IT Act, 1961.

#### **44. New authority of Joint Commissioner (Appeals) for small appeals (Ay 23-24)**

- (i) (a) Proposed that new authority for appeals to be created at JCIT or Add CIT level to handle certain class of cases like involving small amounts of disputed demand.
- (b) New authority to have 100% powers + responsibilities + accountability (all) similar to CIT (Appeals) for procedures against disposal of appeals
- (ii) Proposed that taxpayer not permitted to file an appeal before JCIT (Appeals) where order already passed by Income tax authority above rank of DCIT.



(iii) (a) *Proposed that 100% pendency before CIT (Appeals) to be transferred to JCIT (Appeals) in continuity of proceedings already completed before CIT (Appeals).*

(b) *Hence already completed proceedings not to be repeated before JCIT*

(iv) *Proposed that CIT (Appeals) or JCIT (Appeals) or vice versa is required to provide an opportunity of being heard to taxpayer before transferring the pending appeals.*

(v) *CBDT is required to notify the complete scheme.*

#### **45. Reduction in time limit already provided for furnishing TP report (23-24)**

(i) *Proposed that time limit for furnishing TP report to be reduced to 10 day from presently 30 day*

(ii) *Proposed that time limit for extension by AO is not permitted to exceed the 30 day.*

#### **46. Rationalization + amendments for Appeals before ITAT (Ay 23-24)**

(i) *Proposed that appeals against penalty orders already passed by CIT (Appeals) under section 271AAB + 271AAC + 271AAD (all) be made before ITAT under section 253 of IT Act, 1961.*

(ii) *Proposed that appeals against order as passed by PCIT or CIT under section 154 + 263 of IT Act, 1961 be made before ITAT.*

(iii) *Proposed that taxpayer is permitted to file the memorandum of cross-objections in 100% cases as appealable before ITAT.*

#### **47. Officer permitted to take assistance during search and seizure (Ay 23-24)**

(i) (a) *Proposed that authorized officer as authorized to conduct the search and seizure is permitted to take assistance from police officer or any officer of Central Govt. for any action as required to be performed during course of search and seizure.*



- (b) *Proposed* that authorized officer is permitted to make a reference to valuation officer for estimating the FMV of property during search or in *60 day* from date of executing the last authorization for search.
- (ii) *Proposed* that authorized officer is permitted to take a help of expert or professional for valuation of undisclosed assets + decryption of information from digital forensic professionals + valuers + archive experts + locksmiths + carpenters + etc. (any) if required in accordance with typical nature of operations.
- (iii) *Proposed* that authorized officer is permitted to make a requisition for services of any other person or entity duly approved by PCIT or CCIT in accordance with procedures as prescribed by CBDT for assisting him during search + post search (both)

#### **48. Meaning of last of authorization against search and seizure (Ay 22-23)**

- (i) *Proposed* that last authorization for search to be deemed the conclusion of search as recorded in last panchnama as drawn on person is executed:
- Or*
- (a) *Proposed* that last authorization for search to be deemed the conclusion of search as recorded in last panchnama as drawn on person against him warrant of authorization is issued
- Or*
- (b) *Proposed* that last authorization for search to be deemed when actual receipt of books of accounts + documents + assets (any) by authorized officer against requisition as made under section *132A* of IT Act, 1961.

#### **49. Provisions against business reorganization (Ay 23-24)**

- (i) *Proposed* that AO is required to pass an order as modifying the total income of relevant assessment year in accordance with order of business reorganization + also taking into record the modified return as furnished under section *170A* of IT Act, 1961.



(ii) *Proposed* that AO is required to pass an order as assessing or reassessing the total income of relevant assessment year in accordance with order of business reorganization + also taking into record the modified return as furnished where proceedings of assessment or reassessment are pending on date of furnishing the modified return as furnished under section 170A of IT Act, 1961.

#### **50. Increase in time-limit for completion of assessment of taxpayer (Ay 23-24)**

(i) (a) *Proposed* that time limit for completion of assessment of taxpayer under section 153 of IT Act, 1961 to be increased up to 12 month from up to 9 month from end of assessment year where income is assessable.

+ (plus)

(b) *Proposed* amendment is applicable for original return + revised return + belated return + updated return (all)

(ii) *Proposed* that time limit for completion of assessment or reassessment of taxpayer under section 153A of IT Act, 1961 to be increased up to 12 month from up to 9 month from date of search as completed under section 132 or last date of receipt of books of accounts + documents (both) against requisition as issued under section 132A.

#### **51. Amendments in provisions against reassessment proceedings (Ay 23-24)**

(i) (a) *Proposed* that Income Tax Return (ITR) against notice as issued under section 148 is required to be furnished in 3 month from end of month in which notice is issued Or

(b) ITR to be furnished in time as allowed by AO against request by taxpayer in writing

(c) However ITR as furnished beyond 3 month to be deemed as not furnished under section 139 of IT Act, 1961

(ii) *Proposed* that taxpayer is permitted to furnish the ITR in 3 month + 15 day (both) under section 149 of IT Act, 1961 where authorization is executed under section 132 or requisition is made under section 132A after March 15<sup>th</sup> of any financial year



## ***(I) Proposed Amendments under head Penalties***

### ***52. Penalty against cash transactions with primary co-operatives (23-24)***

*(i) Proposed that monetary limit to be increased from INR 20 thousand to INR 2 Lac for cash transactions for levy of penalty under section 269SS + 269T (both) with Primary Agricultural Credit Society (PACS) + Primary Co-operative Agricultural and Rural Development Bank (PCARD) against following transactions between PACS + PCARD (both) and members:*

- (a) All deposits as accepted by PACS + PCARD (both)*
- (b) All loans as taken from PACS + PCARD (both)*
- (c) All deposits as paid by PACS + PCARD (both)*
- (d) All loans as repaid to PACS + PCARD (both)*

### ***53. Penalty for inaccurate information by reporting financial institution (23-24)***

- *Proposed that New penalty of INR 5 thousand to be levied under new section 271FAA of IT Act, 1961 on prescribed reporting financial institutions for furnishing of inaccurate statement of financial transactions where account holder already furnished inaccurate information's.*



## **(J) Proposed Amendments under head TDS + TCS (both)**

### **54. TDS on payment of interest against listed debentures ( Ay 23-24)**

- *Proposed* that TDS to be deducted under section 193 of IT Act, 1961 on Interest payment against listed debentures + payment to be made to resident of India.

### **55. TDS + Income tax against net winning from online game (Ay 24-25)**

- (i) (a) *Proposed* that TDS to be deducted @ 30% on net winning income from online game through user account at end of financial year or at time of withdrawal of money whichever is earlier under new section 194BA of IT Act, 1961
- (b) Special rate of tax @ 30% on income through winning from online game is introduced under section 115BBJ of IT Act, 1961
- (ii) *Proposed* that TDS to be deducted on payments under head lottery + etc. (both) where payment is made as exceeding INR 10 thousand in aggregate *per financial year* instead of *per transaction* under section 194B + 194BB (both)

### **56. Increases in rates of TCS against Foreign remittances (from July 01, 2023)**

<b>S.No.</b>	<b>Nature of remittance</b>	<b>Existing Rate of TCS</b>	<b>Proposed rate of TCS</b>
(i)	Foreign remittance for education purpose through loan as obtained from financial institution as defined under section 80E	@0.5% on aggregate amount as exceeding INR 7 lac in financial year	No change
(ii)	Foreign remittance for non education purpose like medical treatment + maintenance of close relative + etc. (all)	@5% on aggregate amount as exceeding INR 7 lac in financial year	No change
(iii)	Foreign remittance for Overseas tour package	@5% on aggregate amount as exceeding INR 0 in financial year	@20% on aggregate amount as exceeding INR 0 in financial year



(iv)	Foreign remittance for any other purpose	@5% on aggregate amount as exceeding INR 7 lac in financial year	@20% on aggregate amount as exceeding INR 0 in financial year
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### 57. TDS provisions against withdraw of cash by co-operative society (24-25)

- (i) *Proposed* that limit is increased for cash withdrawal by co-operative society from INR 1 crore to 3 crore. TDS provisions for ITR filer + non ITR filer (both) under section 194N of IT Act, 1961 are summarized as below :

S.No	Slab of amount for cash withdrawal	Rate of TDS
(a)	Not exceeding INR 3 crore for ITR filer	0%
(b)	Exceeding INR 3 crore for ITR filer	2%
(c)	Exceeding INR 20 Lac for non ITR filer	2%
(d)	Exceeding INR 3 crore for non ITR filer	5%

### 58. TDS Credit against income as declared in past (from October 01, 2023)

- (i) (a) *Proposed* that taxpayer is permitted to make an application in prescribed form under new section 155(20) of IT Act, 1961 to AO in 2 year from end of financial year in which TDS is deposited by deductor + (plus)
- (b) *Proposed* that AO is required to amend under section 155(20) against order as passed for assessment under section 143(3) or 144 or intimation is issued under section 143(1A) of IT Act, 1961 where taxpayer already offered income on *mercantile basis* in preceding previous years + TDS is deducted in later year (both) conditions to be satisfied.
- (ii) (a) *Proposed* that taxpayer is permitted to make an application in prescribed form under section 154 of IT Act, 1961 to AO in 4 year from end of financial year in which TDS is deposited by deductor.



+ (plus)

(b) *Proposed* that AO is required to rectify the order under section 154 of IT Act, 1961 in 4 year from end of financial year in which TDS is deposited by deductor + application is filed under section 155(20) (both conditions to be satisfied).

+ (plus)

(iii) *Proposed* that AO is required to allow interest under section 244A of IT Act, 1961 from date of application under section 155(20) till date of refund is given to taxpayer.





## *(K) Proposed Amendments under head Miscellaneous Amendments*

### *59. Rationalization of provisions under PBPT Act, 1988 (Ay 2023-24)*

- *Proposed that computation for time limit of 45 day to be started from date of order as received in office of Initiating Officer (IO) or aggrieved person (any) whichever later under section 46 of Prohibition of Benami Property Transactions (PBPT) Act, 1988 for filling an appeal by IO or aggrieved person (any) before appellate tribunal.*



## ***(L) Proposed Amendments under GST Act, 2017***

### ***60. Supplying of goods of e-commerce under composition (From April 01, 2023)***

- *Proposed that taxpayer is permitted to opt the composition scheme for supplying of goods as e-commerce operator under section 10 of GST Act, 2017 where TCS is collected under section 52 of GST Act, 2017.*

### ***61. Interest on ITC where buyer of goods is failed to payment (April 01, 2023)***

- *Proposed that buyer of goods is required to pay an amount of ITC + interest on amount of ITC already claimed (both) where buyer of goods is failed to make the payment against goods received + ITC is claimed (both) in 180 day from date of issue of invoice under section 50 of GST Act, 2017.*

### ***62. Non availability of ITC against goods + services used for CSR (April 01, 2023)***

- *Proposed that ITC is not permitted under section 17(5) of GST Act, 2017 against goods or services or (both) already used or intended to use for obligations under Corporate Social Responsibility (CSR) as referred under section 135 of Companies Act, 2013.*

### ***63. Time barred for filling of GSTR-1 + 3B + 8 + 9 (all) (April 01, 2023)***

- *Proposed that taxpayer is not permitted to file GSTR-1 + GSTR-3B + GSTR-8 + GSTR-9 (all) for any tax period after expiry as exceeding 3 year from due date of filling of return.*

### ***64. Penalties on e-commerce operator (From April 01, 2023)***

- *Proposed that penalty of INR 10 thousand or 100% on amount of GST whichever is higher to be levied on e-commerce operator against followings contraventions:*

- Where already allowed an unregistered person to supply goods or services or both except where person is exempted from obtaining GST registration.*



- (ii) Where already allowed a registered person for making inter-state supply of goods or services where registered person is not eligible for making inter-state supply of goods or services.
- (iii) Where already furnished inaccurate details in **GSTR-8** against sale of goods where person is exempted from obtaining GST registration.

**65. Changes in financial penalty for compounding of offences (April 01, 2023)**

- **Proposed** that limits for compounding of offences to be fixed as starting from minimum **25%** and ending at maximum **100%** of GST as involved

**66. Sharing of GST data digitally by taxpayer with his consent (April 01, 2023)**

- (i) **Proposed** that taxpayer is permitted to share his digital GST data with his consent + in prescribed manner + in specified conditions (all) on GST portal or other system to be notified by govt.
- (ii) **Proposed** that taxpayer is permitted to share his digital GST data already declared by him in his GST Returns already filed under **GSTR-1 + GSTR-3B + GSTR-9** + application of registration + Statement of outward supplies + Generation of e-invoice + e-way bill (any) under new section **158A** of GST Act, 2017.



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