



INCOME TAX

Analysis of The Taxation Laws (Second Amendment) Bill, 2016 Amendment to Income Tax Act, 1961

- Tax payable u/s 115BBE increased from 30% to 60% (Income assessable u/s 68, 69, 69A, 69B, 69C or 69D)
- Surcharge on income taxable u/s 115BBE @ 25% of tax payable
- Effective tax rate for income assessable u/s 68, 69, 69A, 69B, 69C or 69D comes to 75%
- Amendment to section 271AAB – Penalty where search initiated
- Penalty @ 30% where:
 - Undisclosed income admitted and manner of deriving income specified in the statement recorded u/s 132(4)
 - Substantiates the manner in which the undisclosed income was derived
 - pay tax and declare such income in return of income.
- Penalty @ 60% in all other cases
- Penalty on the income taxable u/s 115BBE (New section 271AAC)
- 10% of tax payable u/s 115BBE
- No penalty if income declared in return of income AND Tax Paid Before End Of Previous Year
- No penalty u/s 270A on such income

TAXATION AND INVESTMENT REGIME FOR PRADHAN MANTRI GARIB KALYAN YOJANA, 2016

- Any person may make a declaration in respect of any income, in the form of cash or deposit in an account maintained by the person with a specified entity, chargeable to tax under the Income-tax Act for any assessment year commencing on or before the 1st day of April, 2017.
- Tax/ Surcharge/ Penalty
- Tax @ 30% of income declared under scheme.
- Pradhan Mantri Garib Kalyan Cess @ 33% of tax i.e. 9.9% of income declared
- Penalty @ 10% of income declared under scheme
- Total Tax + Surcharge + Penalty comes to 49.9%
- At least 25% of income declared shall be deposited in 'Pradhan Mantri Garib Kalyan Deposit Scheme, 2016

Income Tax - Amendments

1. Income-tax (31st Amendment) Rules, 2016 - Prescribes Income Tax Authority to issue notice u/s 143(2) for scrutiny / regular assessment. [Assessment officer (AO) is already authorized to issue notice u/s 143(2)] – Ref. Notification No. 105/2016 dated 16-11-2016
2. Income-tax (30th Amendment) Rules, 2016 - Specifies the limit for deposit of Cash without PAN and Issues Direction to banks for Submission of information for deposit of cash in excess of specified limit for the period from 9.11.2016 to 30.12.2016 Ref. Notification No. 104/2016 dated 15-11-2016
3. Income-tax (29th Amendment) Rules, 2016: (a) in rule 5, after sub-rule (1), the following proviso shall be inserted with effect from 1st day of April, 2016, namely:-“Provided that in case of a domestic company which has exercised option under sub-section (4) of section 115BA, the allowance under clause (ii) of sub-section (1) of section 32 in respect of depreciation of any block of assets entitled to more than forty per cent. shall be restricted to forty per cent. on the written down value of such block of assets.”

EDITORS NOTE

We are happy to share with you our seventh edition of the SV insight containing useful information on Tax Laws, demonetisation, details on how to get in to GST and action points for the month. We do hope that you find the contents are informative.

We welcome suggestions from you for improving the scope and nature of content in order to make it more relevant and useful.

We thank all of you for the encouraging feedback.

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TAX DUE DATES FOR DECEMBER 2016

Sl. No	Particulars	Due Date
1	Service Tax Payment	06-Dec-2016
2	Central Excise Payment	06-Dec-2016
3	TDS / TCS Payment/Remittance	07-Dec-2016
4	Central Excise Monthly Return	10-Dec-2016
5	CST Payment	20-Dec-2016
6	VAT Monthly Payment (Form 100)	20-Dec-2016
7	PT Payment – Employees	20-Dec-2016
8	ESIC Payment	21-Dec-2016
9	PF Payment	15-Dec-2016
10	PF Return	25-Dec-2016

Quarterly Compliances

Sl. No	Particulars	Due Date
1	Advance Tax Payment (Corporate and Non-Corp)	15-Dec-2016

Annual Tax Compliances

Sl. No	Particulars	Due Date
1	VAT Audit Return	31-Dec-2016
2	FCRA Annual return	31-Dec-2016

e-filing



“I tried doing my own taxes until my computer started to make a snickering sound”



DEMONETISATION

Regulatory & Reporting Rules on Cash Deposits

The Central Board of Direct Taxes vide notification No.104/2016 dated 15th November,2016 has amended Rule 114B (mandatory quoting of PAN) and Rule 114E (reporting in AIR) casting regulatory and reporting obligations on the banks and post offices for accepting and reporting of cash deposits in the bank accounts and post office accounts.

PAN Mandatory for cash deposits in bank and post offices exceeding Rs. 2,50,000 during the period 9th November 2016 to 30th December, 2016

PAN is mandatory for the following cash deposits in bank account and post office account :

- (i) Cash deposits exceeding Rs. 50,000 during any one day.
- (ii) Cash deposits exceeding Rs. 2,50,000 during the period 9th November 2016 to 30th December 2016.

Reporting of Cash Deposits in banks and post offices during the period 9th November 2016 to 30th December, 2016

Section 285BA requires specified persons to furnish a Statement of specified financial transactions (AIR) listed in Rule 114E

Rule 114E has been amended and now the following additional financial transactions will also have to be reported by banks and post offices in statement of specified financial transactions (AIR).

Cash deposits in bank account or a post office account during the period 9th November,2016 to 30th December, 2016:

- (i) Cash deposits aggregating to 12,50,000 or more in one or more current account of a person or
- (ii) Cash Deposits aggregating to 2,50,000 or more in one or more accounts (other than current account) of a person.

SERVICE TAX

1. Seeks to amend notification No. 30/2012- ST, dated the 20th June, 2016 so as to put compliance liability of service tax payment and procedure on to the service provider located in the non-taxable territory with respect to online information and database access or retrieval services provided in the taxable territory to 'non-assesse online recipient' Ref. Notification No. 49/2016 Dated: 9-11-2016
2. Service Tax Rules, 1994 amended so as to prescribe that the person located in non-taxable territory providing online information and database access or retrieval services to 'non-assesse online recipient', as defined therein, is liable to pay service tax and the procedure for payment of service tax Ref. Notification No. : 48/2016 Dated: 9-11-2016
3. Notification No. 25/2012-ST dated 20th June , 2016 amended so as to withdraw exemption from service tax for services provided by a person in non-taxable territory to Government, a local authority, a governmental authority or an individual in relation to any purpose other than commerce, industry or any other business or profession, located in taxable territory Ref. Notification No. : 47/2016 Dated: 9-11-2016
4. Place of Provision of Services Rules, 2012 amended of so as to amend the place of provision of 'online information and database access or retrieval services' with effect from 01.12.1016 Ref. Notification No. : 46/2016 Dated: 9-11-2016



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Companies Act

1. Amendment in Schedule II of the Companies Act, 2013 (18 of 2013) - For intangible assets, the relevant Indian Accounting Standards (Ind AS) shall apply. Where a company is not required to comply with the Indian Accounting Standards (Ind AS), it shall comply with relevant Accounting Standards under Companies (Accounting Standards) Rules, 2006 – Ref. Notification No. : F. No. 17/60/2012-CL-V - G.S.R. 1075(E) Dated: 17-11-2016
2. Companies (Registration Offices and Fees) Second Amendment Rules, 2016 - 2. In the Companies (Registration Offices and Fees) Rules, 2014, (herein after refer to as the principle rules), in the principle rules, in rule 8, in sub-rule (12), in clause (b) for sub-clause (iv), the following shall be substituted, namely:-

(iv) AOC-4 certification by the Chartered Accountant or the Company Secretary or as the case may be by the Cost Accountant, in whole- time practice."

In the principal rules, in the Annexure, in item II, for sub-item (vi), the following sub-items shall be substituted, namely:-

For Application made	Other than OPCs and Small Companies
"(vi) For allotment of Director identification Number (DIN) under <u>section 153</u> of the <u>Act</u>	500
(vii) For surrender of Director identification Number under rule 11(f) of the <u>Companies (Appointment and Qualification of Directors) Rules 2014</u>	1000

Notification No. : F. No. 01/16/2013 CL-V(Pt-I) Dated: 7-11-2016

GST PROCEDURE TO ENROL FOR GST REGISTRATION BY EXISTING TAXPAYERS

Introduction

Goods and Services tax (GST), which is often known as a historic reform, is now around the corner. After president Pranab Mukherjee gave his assent on September 8, 2016, the Government is firing on all cylinders to implement GST by April 1, 2017. However, the implementation will be a little early for the existing tax payers.

Who are liable to enrol under GST?

Existing taxpayers are liable to enroll under GST system portal. An existing taxpayer is an entity registered with any of the authorities;

- Central Excise
- Service Tax
- State sales tax/VAT (except exclusive liquor dealers)
- Entry tax
- Luxury Tax
- Entertainment tax

Continued...

FINAL RATES

(As per GST council meeting which was held on 3rd November 2016)

SNO	RATE	DESCRIPTION
1	0%	Essential items including food
2	5%	Common use items
3	12% and 18%	Standard rates
4	28%	Items which are currently taxable with (3031%)
5	28% with cess	Luxury and Demerit goods



GST - Final date of enrolment?

STATES	START DATE	END DATE
Pondicherry, Sikkim	08/11/2016	23/11/2016
Gujrat, Maharashtra, Goa, Daman and Diu, Dadra Nagar Haveli, Chhattisgarh	14/11/2016	29/11/2016
Odisha, Jharkhand, Bihar, West Bengal, Madhya Pradesh, Assam, Tripura, Meghalaya, Nagaland, Arunachal Pradesh, Manipur, Mizoram	30/11/2016	15/12/2016
Uttar Pradesh, Jammu and Kashmir, Delhi, Chandigarh, Haryana, Punjab, Uttarakhand, Himachal Pradesh, Rajasthan	16/12/2016	31/12/2016
Kerala, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh	01/01/2017	15/01/2017
Service Tax Registrants	01/01/2017	31/01/2017

Procedure for enrollment under GST System Portal

Point 1 – Paperless procedure: The whole system of enrollment will be paperless; hence, no hard copies shall be entertained by the department. Further, all the aforesaid registered taxpayers will need to visit the GST system portal. Further, it is mandatory for every person to register if the annual turnover is more than Rs 20 lakh, the exemption limit.

#Point 2 – Provisional ID and password: Before visiting the GST system portal, you must have the provisional ID and password given to you by your concerned state authorities.

#Point 3 – Documents and information required: To complete the registration procedure, you must have the following information:

- Provisional ID
- Password
- Valid email address
- Valid mobile number
- Bank account number
- IFSC code
- Further, also carry the following documents which needs to be uploaded on the website:
 - Proof of constitution of business:
 - In case of partnership deed – partnership deed
 - In case of others: registration certification of the business entity
 - Photograph of promoters/partners/Karta of HUF
 - Proof of appointment of authorised signatory
- Photograph of authorised signatory
- Opening page of passbook/statement containing the following information:
 - Bank account number
 - Address of branch
 - Address of account holder
 - Few transaction details

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