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Incorporation Simplified

TAXATION OF LIMITED LIABILITY PARTNERSHIP (LLP) INDIA

Finance Bill 2009 has brought **LIMITED LIABILITY PARTNERSHIP (LLP)** in line with a 'FIRM'. This will enable the LLP taxed as a Partnership.

LLP form of organization will get the advantages of a Company and taxation advantage of Partnership. The profit of LLP will be taxed at firm level. The profit distributed to the partners will be Tax Free.

As per revised definitions under Finance Bill 2009

- **Firm** has the same meaning given in the partnership act and includes a limited liability partnership as defined in the Limited Liability Partnership Act, 2008

- **Partner** have same meaning given in the partnership act and includes minters admitted to the benefits of partnership, a partner of a limited liability partnership as defined in the Limited Liability Partnership Act, 2008

- **Partnership** shall have the meaning assigned to it in the Indian Partnership Act, 1932, and shall include a limited liability partnership as defined in the Limited Liability Partnership Act, 2008

An existing limited company can be converted to Limited Liability Partnership (LLP) to avail this taxation advantage. An existing partnership can be converted to LLP to have the advantage of a corporate body and keep the flexibility of internal management as a Partnership.

To know more about LLP registration, Conversion of Partnership / Company to LLP logon to www.companiesinn.com

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