Important Topics for May-2011 (Income-Tax)

Caution – The following topics are important in view of Amendments made by Finance Act, 2010, recent Notifications/Circulars and Current areas of interest. **These should not be used as a guess paper or for making selective study of your syllabus.**

All the topics have been covered exhaustively in ***Coursemate Primer Study Notes***. Please refer to the relevant Chapter and make a thorough revision thereon.

1. Tax Rate on Companies including Marginal Relief
2. Rule 3, Section 17 – Valuation of Perquisites (treatment of Sweat Equity Shares/ESOP in Salaries, Capital Gains)
3. Section 10(10) – Exemption of Gratuity (Limit raised to ₹ 10,00,000)
4. Proviso 5, Section 32 – Depreciation in case of conversion of company to LLP (allowed on pro-rata basis on the number of days asset is used by them)
5. Section 35 – Weighted Deductions for expenditure on Scientific Research
6. Section 35ABB – Deduction in respect of Telecommunication Licence
7. Section 35AD – Deduction for specified businesses (expansion of scope by including hotels, hospitals & housing projects)
8. Section 36(1)(iiia) – Deduction for Discount on Zero Coupon Bonds
9. Section 40(a) – Time Limits for deposit of TDS
10. Section 40A(3) – Payments for expenditure in excess of ₹ 20,000/- made otherwise than an account payee cheque
    Section 43B(e) – Interest on restructuring of loans
11. Section 44AB – Tax Audit (Increase in limits for tax audit)
12. Section 44AD – Presumptive Taxation (Removal of Section 44AF and restriction in scope of assessees covered in Section 44AD)
13. Section 14A – Deduction for expenditure in relation to exempt incomes
14. Section 49(2AA), (2AB) – Capital Gains on Sweat Equity/ESOP Securities
15. Section 49(2AAA) – Right of partner on conversion to LLP
16. Section 45(5) & Section 145 – Capital Gains on compulsory acquisition + Treatment of interest on such compensation
17. Section 47(xiiib), 47A(4) – Exemption of Capital Gains on transfer of Company to LLP [Please do Exercise-41 thoroughly]
18. Section 50C – Taxation of Immovable Property
19. Section 57 – Deduction of 50% of amount received as Interest on compensation for Compulsory Acquisition of any asset
20. Taxation of Deep Discount Bonds
21. Section 56(2)(vii) – Taxation of Gifts [Change in scope of transfer of immovable property for inadequate consideration]
22. Section 56(2)(viia) – Taxation of shares in case of Firms & Companies
23. Notification 23/2010 – Valuation of gifts
24. Section 72A(6A) - Unabsorbed Loss of predecessor company allowed for fresh 8 years on conversion to LLP and deemed to be income in year of infringement of conditions u/s 47(xiiib)
25. Section 10(43) – Reverse Mortgage
26. Section 10AA – Exemption of income of unit in SEZ
27. Section 80CCF – Deduction for investment in long-term infrastructure Bonds
28. Section 80D – Deduction for Mediclaim premium

29. Section 80GGA – Donations for Scientific Research & Rural Development
30. Section 80IB – Relaxation of conditions for housing projects approved on or after 1.4.2005
31. Section 80ID – Extension of terminal date for functioning of hotels and construction of convention centres from 31.3.2010 to 31.7.2010
32. Explanation to Section 9 – Scope of Income for Non-residents [Redrafted and substituted retrospectively w.e.f. 1.6.1976 – Please read your notes thoroughly]
33. Section 44BB & 44DA – Income from Prospecting of Mineral Oil & Royalties [Please refer your notes for explanation given in Memorandum to Finance Act, 2010 and amended Section 44DA]
34. Section 115JB, 115JAA – MAT [Increase in rate, MAT Credit not allowed on conversion of company to LLP]
35. Rule 5, Ist Schedule – Computation of profit of non-life insurance business
36. Section 142A – Increase in scope of powers of Departmental Valuation Officer [Refer to Chapter on Return & Assessment]
37. Section 143(1A-1C) – Increase in time limit for processing of computerized returns.
38. Section 260A(2A) – Appeal to High Courts – HC has Power to condone delay
39. Complete Chapter on TDS [Amendments in administrative proivisions, changes in monetary limits]
40. Complete Chapter on Settlement of Cases
41. Section 2(15) – Definition of Charitable Purposes
42. Section 13(7), 115BBC – Taxation of Anonymous Donations [Please do Example-7 & Example-8]
43. Section 12AA – Power of CIT for cancellation of registration of Trust
44. Select Cases published by ICAI

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