Equalisation Levy (3-4 marks) → By Finance Act, 2016

Non-Resident Not having PE in India (Eg. Facebook) → Advertisement Service (* For Business | Profession only) (₹1 lac/+ in PY from the NR) not having PE (Per service Provider) [Minimum] → Resident in India **or** Non-Resident having PE in India → Deduct Equalisation levy @ 6%.

Eg Mr. x (India) ← ₹95000 Google; ← ₹90000 Facebook

Eq. Levy Applies? ⇒ $\boxed{\text{No}}$, more than ₹1 lac from single vendor in a FY → service provider

Deposit equilisation levy by → 7th of next month

→ If service receiver fails to deduct EL (say he forgets) → he/she will still be liable to pay EL to Govt.

Interest on late payment → 1% per month (So if late by 5 days → $1\% \times \frac{5}{30}$)

Penalty

- Fails to deduct → 100% of EL
- Fails to Pay → ~~EL Amount~~ ₹1000/Day (Maximum Penalty → Amount of EL)
- Returns not filed before Due Date → ₹100/Day

Returns

* **File on/before** → 30th June of ~~next~~ the year. (PY 2019-20 → DD 30/6/2020)
* **Belated/Revised Return Due Date** → 2 years from end of FY of service (31-3-20 → 31-3-22)

Return Not Filed → AO $\xrightarrow[\text{to file}]{\text{Notice}}$ Assessee $\xrightarrow[\text{30 Days}]{\text{within}}$ File Return

Intimation of Return: Return (30-1-2020) $\xrightarrow[\text{end of FY of Return}]{\text{within 1 Year from}}$ Intimation → By 31-3-2021 → Mistake in Intimation → Rectify within 1 Year from end of FY of Intimation (31-3-2022)

☆ Appeal

Assessee $\xrightarrow[\text{of AO order}]{\text{₹1000 Fees + Form 3 within 30 Days}}$ CIT (A) $\xrightarrow[\text{of CIT(A) order}]{\text{₹1000 Fees + Form 4 within 60 Days}}$ ITAT

☆ Punishment for false statement

↓

'Non-Cognizable offense' under CrPC

↓

Imprisonment upto 3 years

If
- EL not deducted
- EL not paid to govt

→ Deduction of Advertisement Expense not allowed as deduction in the current PY

Deduction for advertisement expense allowed in the year in which EL is paid to the government.

☆ Income on which service receiver pays EL in India is exempt in the hands of service provider once EL is paid.

Eg BB ← ₹4 lac ad. — Facebook (US)

BB → ₹376000 → Facebook

BB → ₹24000 → Govt.

→ For Facebook once BB pays EL of ₹24000 to Govt. (whole ₹4 lac exempt income in India)