B.Com. : Semester III
Paper BC 3.2: INCOME TAX LAW & PRACTICE

Duration: 3 Hrs.   **Marks: 100**   **Credits: 6**

Course Objective

To impart knowledge of laws pertaining to levy of income tax in India and to enable students to apply the same practically.

Course Learning Outcomes

After completing the course, the student shall be able to:

CO1: understand the basic concepts in the law of income tax and determine the residential status of different persons.
CO2: identify the five heads in which income is categorised and to compute income under the heads 'Salaries' and 'Income from House Property'.
CO3: compute income under the head ' Profits and gains of business or profession', 'Capital gains' and 'Income from other sources'.
CO4: understand clubbing provisions, aggregate income after set-off and carry forward of losses, and deductions allowed under the Income Tax Act.
CO5: compute tax liability of individuals and firms and understand the provisions of filing return of income.

Course Contents

Unit I : Introduction
Basic concepts: Income; agricultural income; person, assessee; assessment year; previous year; Gross total income; total income; maximum marginal rate of tax; Permanent Account Number (PAN); *Residential status*; Scope of total income on the basis of residential status; Exempted income under section 10.

Unit II: Computation of income under different heads-1
Income from Salaries; Income from house property.

Unit III: Computation of income under different heads-2
Profits and gains of business or profession; Capital gains; Income from other sources.

Unit IV: Total income and tax computation
Income of other persons included in assessee's total income; aggregation of income and set-off and carry forward of losses; deductions from gross total income; rebates and reliefs

Unit V: Computation of total individuals and firms

Tax liability of individual and firm; Preparation of return of income; filing of returns: manually, online filing of returns of income & TDS; provision and procedures of compulsory on-line filing of returns for specified assesses.

Note:
1. There shall be a practical examination of 20 Marks on E-filing of Income Tax Returns using a software utility tool. The student is required fill appropriate Form and generate the XML file.

2. There shall be 4 credit hours for lectures + one credit hour (Two Practical Periods per week per batch) for practical lab + one credit hour for tutorials (per group)
·Practical Examination of 20 marks (External examiner). The practical exam will be of one hour.
·Theory exam shall carry 80 marks (Including Internal Assessment of 25 Marks) of a duration of 2.5 hours

References

- Ahuja, Girish and Ravi Gupta. *Systematic Approach to Income Tax.* Bharat Law House, Delhi.
- Singhania, Vinod K. and Monica Singhania. *Students' Guide to Income Tax,* University Edition. Taxmann Publications Pvt. Ltd., New Delhi.

Additional Resources

- *Current Tax Reporter.* Current Tax Reporter, Jodhpur.
- *Income Tax Reports.* Company Law Institute of India Pvt. Ltd., Chennai.
- Corporate Professionals Today. Taxmann. New Delhi.

Software
- 'Excel Utility' available at *incometaxindiaefiling.gov.in*
- Singhania, Vinod K. *e-filing of Income Tax Returns and Computation of Tax,* Taxmann Publication Pvt. Ltd, New Delhi. Latest version

Note: Latest edition of text books and soft-wares may be used.

Teaching Learning Process

The teaching learning process would include classroom lectures to introduce students to the law pertaining to the levy of income tax. This would be supported by case studies to enable an understanding of the practical implications of the income tax law. Further, to enable the students to apply the law practically, presentations by students and practical on online filing would be included in the teaching learning process.

Assessment Methods

The assessment methods would include end semester examination, assignments and class tests. Further, practical exams may be conducted to gauge the understanding of students regarding application of relevant provisions of the income tax law.