

B.Com. (Hons.): Semester-III
Paper BCH 3.2: INCOME TAX LAW AND PRACTICE

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

This course aims to impart knowledge of law pertaining to levy of income tax in India. It also aims to enable the 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 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; and further to compute taxable income and tax liability of individuals and firms.

CO5: develop the ability to file online returns of income.

Course Contents**Unit1: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 2: Computation of Income under different heads-1

Income from Salaries; Income from House Property

Unit 3: Computation of Income under different heads-2

Profits and gains of business or profession; Capital gains; Income from other sources

Unit 4: Computation of Total Income and Tax Liability

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; Computation of total income of individuals and firms; Tax liability of an individual and a firm; Five leading cases decided by the Supreme Court

Unit 5: Preparation of Return of Income

Filing of returns: Manually, on-line filing of Returns of Income & TDS; Provision & Procedures of Compulsory on-line filing of returns for specified assesses

References

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

Additional Resources

Software

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

Journals

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

Note: Latest edition of readings 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 practicals 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.

Keywords

Assessment Year, Previous Year, Assessee Person, Finance Act , Income, Income Tax, Standard Deduction.

Note:

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) on E-filing of income tax return using software utility tool. The practical exam will be of one hour. The student is required to fill appropriate form and generate the XML file.

·Theory exam shall carry 80 marks (Including Internal Assessment of 25 Marks) of a duration of 2.5 hours