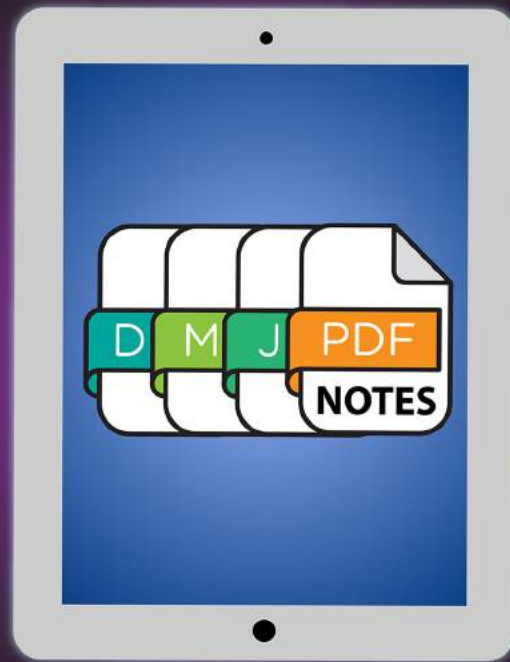




IndigoLearn

**INDIGOLEARN.COM**



*Prepare for CA EXAMS  
LIKE NEVER BEFORE*

# 1Fin by Indigolearn

#StudentFirst



Download our APP - 1FIN





IndigoLearn

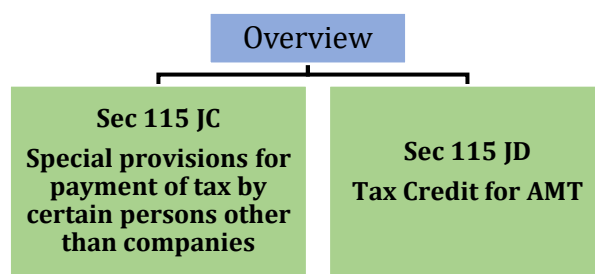
**CA Inter**

# **Direct Taxes**



**Paper-4A**

## ALTERNATE MINIMUM TAX (AMT)



### **Sec 115 JC - Special provisions for payment of tax by certain persons other than a company**

- Chapter XII-BA contains the special provisions for levy of alternate minimum tax in case of persons other than a company.
- Where the regular income-tax payable for a previous year by a person, other than a company, is less than the alternate minimum tax payable for such previous year-
  - The adjusted total income shall be deemed to be the total income of that person for such previous year, and
  - Assessee shall be liable to pay income-tax on such total income at the rate of **eighteen and one-half per cent.**
- Assessee shall obtain a report, before the specified date referred to in section 44AB, in such form as may be prescribed, from an accountant certifying that the adjusted total income and the alternate minimum tax have been computed in accordance with the provisions of this Chapter and furnish such report by that date.
- Where the person referred therein, is a unit located in an **International Financial Services Centre** and derives its income solely in **convertible foreign exchange**, assessee shall be liable to pay income tax on such total income at the rate of **nine percent**.
- These provisions shall not apply to a person who has exercised the option under Sec 115BAC and Sec 115BAD
- The provisions of AMT would, however, not be applicable to an individual, HUF, AOPs, BOIs, whether incorporated or not, or artificial juridical person, if the adjusted total income of such person does not exceed Rs. 20 lakhs

#### **★ Meaning of Adjusted total Income:**

- Adjusted total income shall be the total income before giving effect to this Chapter as increased by
  - Deductions claimed, if any, under any section (other than section 80P) included in Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" [Eg: 80JJAA, 80QQB, 80RRB]
  - Deduction claimed, if any, under section 10AA

- Deduction claimed, if any, under section 35AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed.

#### **Sec 115JD – Tax credit on AMT**

- Tax credit is the excess of AMT paid over the regular income-tax payable under the provisions of the Income-tax Act, 1961 for the year.
- Tax credit to be carried forward = AMT less Tax computed as per regular provisions
- AMT credit can be carried forward for set-off up to a **maximum period of 15 assessment years** succeeding the assessment year in which the credit becomes allowable
- Tax Credit allowable even if Adjusted Total Income does not exceed Rs. 20 lakhs in the year of set-off.
- The provisions of the Income-tax Act, 1961 relating to advance tax, interest under sections 234A, 234B and 234C etc. shall also apply to an assessee paying AMT.
- These provisions shall not apply to a person who has exercised the option under Sec 115BAC and Sec 115BAD.