

Just 5 Minutes

TAXCON™ INDIA PRIVATE LIMITED

# INCOME TAX ACT

## *1. Time reduced for officers to decide on refund adjustment*

The income tax department has reduced the time for tax officers to decide on adjustment of refunds against outstanding tax dues to 21 days, a move which will help avoid litigation. As per instruction issued by tax department that if the assessee either does not agree or partially agrees for adjustment, the matter shall be referred by CPC immediately to the assessing officer, who shall, within 21 days from the date of such reference, shall provide feedback to CPC as to whether the adjustment should be made or not.

## *2. PNB – Migrated to Protean*

Punjab National Bank (PNB) has been migrated from OLTAS e-Payment of Taxes at Protean (previously NSDL) to e-Pay Tax facility at the e-Filing portal for payment of taxes henceforth.

# INCOME TAX ACT

## 3. *IT Authority specified for conducting survey u/s 133A*

The Central Board of Direct Taxes (CBDT) has specified the Income-tax Authority for the purpose of conduct of survey under section 133A. The board has specified that authorisation of action under section 133A shall be issued by income-tax authority not below the rank of Joint Director or Director Commissioner with prior approval of the Director General/Chief General for Central and TDS charge and the PCCIT in case of all other charges.

## 4. *Circular issued for TDS on Salary*

The Central Board of Direct Taxes (CBDT) has issued a circular for the deduction of tax at source from salaries. CBDT has explained the obligation of employers with regard to the deduction of tax at source from salaries under section 192 of the Income-tax Act, 1961 for the Financial Year 2022-23 in a comprehensive manner

# GST

## 1. *GSTN allows revoking suspension of registration*

The facility is for those taxpayers who file their pending returns after the receipt of the show-cause notice issued by the GST system. Before this functionality, the registration of those taxpayers who had filed their pending returns but did not respond to the show-cause notice remained suspended despite filing their returns.

Now such taxpayers have been given the facility to initiate drop proceedings on their own once the pending returns are filed. So, if taxpayers have filed all pending returns, and their registration status is still suspended, then taxpayers can revoke the suspension with a single click by initiating drop proceed.

# GST

## 2. *CBIC issued clarification for refund issues*

Refund applications filed before July 05, 2022 will be dealt with as per the formula as it existed before the amendment made vide Notification No. 14/2022-Central Tax dated July 05, 2022

Refund formula till 05.07.2022	New refund formula from 05.07.2022
Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods and services.	Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - {tax payable on such inverted rated supply of goods and services x (Net ITC ÷ ITC availed on inputs and input services)}

# LABOUR LAWS

## 1. Revision in rate of LWF Contribution In Tamil Nadu

The Government of Tamil Nadu, vide Notification G.O. MS. No. 161, has revised the rate of contribution, under the Tamil Nadu Labour Welfare Fund Act, 1972, to Rs. 20/- for employees and Rs 40/- for employers, effective from December 02, 2022

## 2. Change in Minimum Wages in Uttar Pradesh w.e.f. Oct 01, 2022

Class of Employment	Basic Per Month	VDA Per Month	Total Per Day	Total Per Month
Unskilled	5750.00	3993.00	374.73	9743.00
Semi-skilled	6325.00	4392.00	412.19	10717.00
Skilled	7085.00	4920.00	461.73	12005.00

# CASE LAWS - INCOME TAX

## 1. *Shri Lawrence Rebello vs. ITO (ITAT Indore)*

The Hon'ble Income-tax Appellate Tribunal (ITAT) – Indore Bench in the case has held that the benefit received by the assessee in the form of bigger size of flat and amount received as hardship allowance from the developer is a capital receipt, which cannot be treated as revenue receipt for taxing as income.

## 2. *ACIT, Circle 25(2) v. Tupelo Builders (P.) Ltd.*

It has been held that a benami transaction is one where person in whose name property vests is not real owner and consideration for such property is provided by some other person for whose benefit such property is acquired by ostensible owner.

# CASE LAWS - INCOME TAX

## 3. *Bholanath Precision Engineering (P.) Ltd. v. CIT (Appeals)*

It has been held that assessee company cannot avail lower tax rate u/s 115BAA for AY 2020-21 as Form No.10-IC was not filed even by the extended deadline of 31-3-2021

## 4. *Murali Krishna Chakrala v. Deputy Director, ED*

It has been held that Chartered Accountants cannot be prosecuted under PMLA (Prevention of Money Laundering Act) for certificate issued in Form 15CB based on non-genuine documents submitted by client.

## 5. *Mrs. Anjul v. Office of Principal Commissioner of Income-tax*

It has been held that there is no provision in DTVSV (Direct Tax Vivad Se Vishwas) Act prohibiting award of interest on delayed refund and, thus, petitioner was entitled to interest @ 5% on refund amount which was delayed beyond period of 90 days from date of determination of refund amount.



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