

Alternate Minimum Tax

Introduction

Clause 48 of the Bill seeks to substitute section 115JC of the Income-tax Act relating to special provisions for payment of tax by certain limited liability partnerships.

Section 115JC

The existing provisions of section 115JC provide that, where the regular income-tax payable for a previous year by any limited liability partnership 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 such limited liability partnership and it shall be liable to pay income-tax on such total income at the rate of eighteen and one-half per cent. It further provides that the adjusted total income shall be the total income before giving effect to the Chapter XII-BA as increased by deductions claimed under any section included in Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" and deduction claimed under section 10AA.

It is proposed to substitute the aforesaid section so as to provide that where the regular income-tax payable for a previous year by any 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 such person and he shall be liable to pay income-tax on such total income at the rate of eighteen and one-half per cent.

For the purpose of the aforesaid provision, the adjusted total income shall be the total income before giving effect to the Chapter XII-BA as increased by deductions claimed under any section (other than section 80P) included in Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" and deduction claimed under section 10AA.

This amendment will take effect from 1st April, 2013 and will, accordingly, apply in relation to the assessment year 2013-2014 and subsequent assessment years.